

BY SAMUEL BRITTAN

July cuts

The July cuts, for all the pretence to the contrary, had little to do with any domestic reappraisal. The creditor countries who supported the \$5.3bn. central bank safety net in the previous month, and in particular the U.S., were adamant that the U.K. put its house in order. The "swap" was deliberately limited to six months, so that if sterling did not come right, the U.K. would be forced to apply to the IMF and accept its conditions. Those who laid down the conditions were the U.K. officials, but William Simon and Arthur Burns—the latter of whom will (fortunately) stay on to advise President Carter.

But despite these clear warning signals, the Treasury and Bank made the monetary policy of July measures. The Treasury vetoed the idea of a firm commitment to the 12 per cent target and thus threw away the potential favourable

Social fabric

The first attempt to deal with the dilemma was one on the lines of: "I will fall down dead if you don't help me." This was the phase when the Americans and Germans were told that further so-called "deflation" would bring down the British social fabric and Nato with it. The sterling balance argument was mainly a respectable excuse to ask for a massive \$10bn. to \$15bn. international standby—cash on the table against all contingencies. Neither the Americans nor the Germans were prepared to buy the argument.

What cinched matters was that soundings among the Carter entourage produced a strikingly similar response. The chief adviser, Lawrence Klein, who has so far been the chief Carter economic adviser, said in a Euromoney interview that the U.K. would have to swallow the "bitter pill" of more unemployment and spending cuts and that the IMF's program should be "in stage 4 progress reports, goals met and assessors satisfied before the next stage of funds is released." So far from IMF and U.S. officials being told to mind their own business, their advice on the content as well as the timing of the package was quite unusually asked. But asking for more was not the same as taking it; and those who are concerned with the quality rather than the quantity of the package are still wearing anxious faces.

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What *crucial matters* was that *soundings* among the Carter entourage produced a strikingly similar answer: "Let's see," said Klein, who has so far been the chief Carter economic adviser, said in a *Euromoney* interview that the U.K. would have to swallow the bitter pill of a 10% real wage employment and spending cuts and that the IMF lending programme should be "in stages with progress reports, goals met and assessors satisfied before the next stage of funds is released." Klein said that the U.S. officials being told to mind their own business, their advice on the content as well as the size of the package was—quite unusually—asked. But asking for it was not the same as giving it; and those who are concerned with the quality rather than the quantity of the package are still wearing anxious faces.

BBC 1

† Indicates programme in black and white.

12.45 P.m. News. 1.00 Pebble Mill. 1.45 Fingertbois. 3.30 Regional News (except London). 4.20 The Chancellor's Statement. 4.40 Goobler and the Ghost Chasers. 5.00 John Craven's Newsround. 5.10 The Canal Children. 5.35 Ivor the Engine. 5.40 News. 5.55 Reporting England. 6.20 Nationwide. 6.45 "Carry On Loving" star-

ring Sidney James and
Kenneth Williams.
3.10 Softly, Softly: Task Force.
9.00 News.
9.25 Sports Review of 1975.
10.45 To-night.
11.25 The Sky at Night.
11.45 Weather/Regional News.

All Regions as BBC 1 except at
the following times—

Wales—5.10-5.35 p.m. Tybed.
5.55-6.20 Wales To-day. 6.45
Heddiw. 7.10 Fo a Fe. 7.40-8.10
Election in the Sun: Election Day
in Jamaica. 11.45 News and
Weather for Wales.

A 30x30 crossword puzzle grid. The grid is black and white, with black squares forming a complex pattern. Numbers 1 through 31 are placed in the starting squares of the words. The numbers are distributed as follows:

- Row 1: 1, 2, 3, 4, 5, 6, 7, 8
- Row 10: 10, 11
- Row 12: 13
- Row 14: 14
- Row 15: 16
- Row 17: 17
- Row 18: 18, 19
- Row 20: 20
- Row 22: 21, 23
- Row 24: 24, 25
- Row 26: 26
- Row 27: 27
- Row 28: 28, 29
- Row 30: 30, 31

ACROSS

- 1 Disclose everything about meat (6)
- 4 Repeated record and be defeated (8)
- 10 Girl with famous chest and face a Pole sent back (7)
- 11 Warded off vicar, that is, in one's own home (7)
- 12 Covered face when coming back (4)
- 13 A chief minister makes part of church look right (10)
- 15 One way up, putting one among heavenly bodies (6)
- 16 Protection for party in legal proceeding (7)
- 20 Declined to accept rubbish and died (7)
- 21 A voice wave it (6)
- 24 Trademark I dropped and flourished (10)
- 26 Brace in soft air (4)
- 28 Disagreeable viewer could hurt with a look (4,3)
- 29 Birds I've to follow are thoughtful (7)
- 30 13's responsibility—should be worth a bit (8)
- 31 Collide with clergyman round top of wave (6)

DOWN

- 1 Note on Slavonic language should impart culture again (8)
- 2 Point out after five to justify (9)
- 3 A cat or a very small part (4)

VISITORS to Worcester to-day will obtain full value for money to the extent that the programme consists of nine races. The first event, Div. I (Part 1) of the Rushock Novices Hurdle is due at 11.30.

Neither will those who pay entrance fees for to-day's other meetings, at Southwell, be able to see the best of the racing danger, but is likely to find the ground softer than he likes it.

The Year's End Opportunity Handicap Chase probably lies between the top night Lord Broadwood and *Harvest*. Assuming that *Harvest* reproduces form shown when third in Master Be and Brown Admiral at Newbury

to complain on the score of quantity. For the programme there comprises eight events.

From to-day's welter of contests, I turn to the Long Haul Handicap Chase at Worcester for the best bet. The horse concerned is *King Flame*, whom Richard Head trains for his father.

King Flame has run once this season. For the Lord Stalbridge Memorial Gold Cup at Wincanton on December 2 when he finished a creditable second he was the only horse to be beaten by Killagurteen, and would have been closer to the winner but for a blunder at halfway.

Prince Rock is the obvious

11.30—Compton Casey*
1.00—St. Cadwaladr
1.30—Harvest**
2.30—King Flame***
3.00—Wolf Straw
3.30—Noble Game

SOUTHWELL

11.45—Cheltchams
12.15—Roundtown
12.45—Imperialist
1.45—Napoleon Brandy
2.15—Jave River
2.45—Atmani

the other day. I doubt whether Lord Brownrood can concede the weight successfully.

Volburton, who has been given plenty of time to recover from

LONDON. SALEROOMS saw plenty of action, human interest, and high prices yesterday.

Much of the interest was concentrated on Sotheby's auction of letters and manuscripts. The first lot, a copy of a letter, was paid £30,000, plus 10 per cent. buyer's premium, for the autograph manuscript of two early Jane Austen novels, *Evelyn*, and *Catherine*, by the Broers, the last time. Jane Austen's first serious attempt at a novel.

The price was at the top of the estimate, and way above the previous highest for the writer, £2,400 paid for a letter last year.

The novels were written by Jane Austen in her teens, and only published in 1951. They had been in the possession of the late Mr. Lionel Austen-Leigh.

The next most important lot, some autograph poems by William Morris, failed to sell, but Vischer paid £3,800 for a letter signed by Edward IV about the wide trade.

Oscar Wilde's manuscript for his story *A Model Millionaire* sold for £3,600. Mrs. Mayer paid £3,000 for letters, papers and journals of Edward Montagu, the first Briton to be inoculated and a notorious 18th century eccentric.

The Tower of London bought the metal account book of 16th-century lieutenant of ordnance at the Tower for £2,400.

Other interesting prices were the £1,800 for a letter from Suleiman the Magnificent, £1,700 for three letters from Robert Louis Stevenson; and £1,300 for what is believed to be the earliest known English cheque, drawn in 1659.

An early photograph of Oscar Wilde sold for £400; Stevenson's spectacles, and a worn and gnawed collar of Lord Byron's dog, Boatswain, for £600. The sale totalled £108,522.

The highest prices of the day were at Sotheby's auction of Chinese works of art. A pair of vases, painted in 1520, sold for £42,580. A *Shenkan* paid £47,000 for a water pot of the Wu Dynasty, in the form of a recumbent ram with its mouth open.

Bluet's bought a Ming three-colour lacquer for £31,000. The auction record for Chinese lacquer—and a rare silver rafter cup of the Yuan Dynasty, for £26,000.

Finally at Sotheby's, a sale of arms and armour totalled £26,877, with a pair of 17th-century sporting guns making £11,000, a pair of Austrian rifles of 1690, £9,500; and a 15th-century German helmet, £6,000.

Robson Lowe sold a letter dated 1661 with the postmark "London" for £1,000. The letter, from the Round House in Love Lane, near Billingsgate, which makes it the earliest British postmark.

It went for £9,000 (against a £1,500 forecast), three times the auction record for a letter with adhesive cover. The vendor, had bought the letter at Christie's in 1938 for £26.

Christie's most important sale yesterday was the "Select,

a punishing race when runner up to Corrib Road at Worcester on November 10, can go one better in the Young Novice Chase.

Compton Cassey may not have to improve on a promising initial effort behind Marriabinn and Major Role at Sandown 12 days ago to land Div. 1 (Part 1).

of the Rushnock Novices Hurdle. At Southwell Ascot, unfortunate to come up against a revived Garlistown at Warwick last month, will go well in the Christmas Cake Handicap Hurdle and observation that also applies to Jane River in the Christmas Tree Handicap Chase. David Morley, whose son, Stuart Edmund, has been the best steeplechase form when the frost came, can take the Christmas Stocking Handicap Chase with Napoleon Brandy and Div. 2 (Part 1) of the Christmas Party Novices Hurdle with Roundtown, who shaped well when second to Bronzon at Newbury.

and successful. It sold eight lots of firearms for £149,000, with prices either spot or nicely above forecast.

The chief item was a group of 18th-century pistols and a sword, presented to Napoleon by the Directory in 1797 as a reward for driving the Austrians out of Italy.

He subsequently gave it to his mistress, the actress and dressmaker and it ended up as the property of Mr. and Mrs. Luke Dillon of Mahon, of Galway, who sold it yesterday for £45,000—25,000 above the top estimate. It was bought by the Manchester armaments dealer and manufacturer Samuel Cummings.

Cummings also paid £36,000 for a pair of duelling pistols made in 1800 by Samuel Brunsell and by tradition intended for the Prince Regent, and £10,000 for a pair of Spanish pistols made in 1791.

Fidern, a London dealer, paid £24,000 for a pair of Brescello flintlock holster pistols of about 1660, and a private collector acquired a French fowling-piece of about 1800 for £22,000.

The two other auctions at Christie's were minor affairs. A sale of miniatures and objects of vertu totalled £26,823, with a top price of £1,550 from Graus for an early 18th-century Swiss silver gilt and enamel singing bird box by Franz Rothen.

English drawings and watercolours produced £22,593, with a water colour of Münster Street Salisbury, by Louis Rayner, selling for £1,100.

BY ROBIN LANE FOX

[illegible]

the authors of the Guide to South Africa when the wind howled, and I remembered *Escallonia* flowers.

Keen gardeners will take note of 1976 which shook the broad beeches, parched the emergent petioles and browned the tops of the potatoes. At the time, perhaps they knew that they should not have given the garden a good watering before the sun was too high. By evaporating into the air the water, I believe, draws it up into the frosted leaves and so dries them. Certainly that is what I did, but in winter the frost is a valid threat. Spray water on the plants with straw, because the morning after, and I doubt if it will clear its head. Drops of water on the leaves will freeze in the following night. So this time, there could be no posthumous water was out of bed or frost.

Myrtles, too

I think very highly of *Leptospermum laevis*, and am surprised that gardeners with south walls do not risk it more frequently. Its leaves are round and fleshy green. Its clusters of flowers in summer are white and bell-shaped and scented. It grows thickly, and people who have been watching its progress

on your garden. I do not think less hardy than many others, but one sees it seldom away from the West-County, where it was given my bushes. Its mass of whitish flowers smell explicitly in summer. It must be grown against a stone wall, and it is evergreen.

The Roman poet says the cold is kept by the myrtles, while other bachelors held a single bouquet in a warmer corner. Feeling pastoral, I made at once a bush of myrtle, and I sowed them with straw, which is the next best protection to bracken, and made my virtuous way to bed.

The wind changed; by dawn it had rained; the wet straw blew off the plants, and I had lost the top-growth and, probably, the roots of a group of azaleas whose bright daisy flowers had been so welcome in dry weather.

If you know a grower of these slightly awkward South African bedding plants, trouble him to give you some, or have found this to be a better means than yearly seed-sowing by which to keep these exotic plants in health and maturity from year to year. I have now the next year's start, saving seed next year. But then, such an effort, even if you only come

If you do not know class has leaves like a vine, but is fresher, bolder and greener. It has begun to act as a house plant grows, a style which suits it excellently. It will stand the room temperatures to 70 degrees Fahrenheit, and it does not mind growth the kitchen, the cause of so many poor house plants' d. Its home is Australia, its old origin tipped by the cooled air which would help it to be up some 1500 ft. Re-mature. The leaves are pol- slightly toothed and are a waxier than any vine I k

Several 'virginia' creepers technically called Port. 'virginica' which is usually translated as 'oppose the kitchen cissus, I imagine it comes from an easy family. Buy it on sight as a du Christmas pot plant or ord from Preseders of Trudr's hardy plant for outdoor. Maybe I had better kee trimmed in a cold greenh though it would like to 10 feet high. But it would tainly be worth a mild winter. It grows alone could see it through winter.

Sir George Kenyon on board of National and Commercial

Mr. George Keynon is in charge of the business of the National and Commercial Banking Group in U.S.A. since January 13. Mr. George Keynon is director of Williams and Glynn's bank, one of the group's principal operating subsidiaries since January, 1972.

Mr. R. E. Collins Jones will join the partnership of Burns and CO., stockbrokers, on December 23.

Mr. Richard Lydnam has been appointed to the Board of the famous Casting Products Div of FOSCO STEELMILLS IN NATIONAL.

<p>Mr. Michael J. Dymond has been appointed to the newly created post of chief officer for accountants on the staff of Mr. K. J. Sharp, head of the GOVERNMENT ACCOUNTANCY SERVICE. Mr. Dymond, formerly in the Ministry of Defence, has been promoted to</p>	<p>Mr. R. T. Gayer, an associated member of TILLING AND CO., stockbrokers, is to join the partnership on December 20. Mr. W. J. Kennett has resigned his partnership with Tilling and became an associated member of ANDERSON AND CO., stock-</p>	<p>Mr. D. W. Deeks, chief accountant and company secretary of JEVES U.K., has been appointed financial controller.</p>
		<p>Mr. Peter Darby is to take his appointment as the new</p>

Mr. Joseph B. Galazka and Mr. David E. Rosenthal have been appointed joint managing directors of the new firm of MERRILL LYNCH PIERCE FENNER AND SMITH (Brokers and Dealers).

★

Twelve British Institute of Management members for the new INTERNATIONAL MANAGEMENT ADVISORY COMMITTEE formed with the National Economic Development Office have been named. They are: Mr. Bernard

Mr. W. A. Gordon Mair, President of the Scottish Special Interest Groups Association, has been elected to the Board of the NATI BUILDING AGENCY.

★

★
Mr. Eric Sayers and Mr. Collis Craigie have been appointed to the Board of INTERNATIONAL LUMBER CORPORATION from January 1. Mr. Sayers, who joins as a non-executive director, is chairman of Dunlop. Mr. Craigie is chairman of British Overseas Airways. The committee will be chaired by Sir Ronald McIntosh, NEDO.

★

Mr. N. C. F. Barber, Managing Director of Cary Distribution, is to be seconded for about three years to the NATIONAL ENTERPRISE BOARD as divisional director from February 1, 1977.

★

Mr. James W. Johnson, Training director-general, and NEDO representatives will include Mr. Bernard Asher, Mr. John Costins and Mr. Alan Williams. Training will have its first meeting at NEDO to-day.

★

Mr. Desmond Pearce, managing director of Repcon (U.K.), has

Mr. E. G. Bruno (C. Italiano) has been appointed representative, and Mr. G. Z. S. (Dressler Bank AG) deputy.

Managing director since March, 1973.

*

Mr. G. L. Dennis, Mr. P. J. Ricketts and Mr. E. J. Shumrow are directors of the Board of WIGGINS TRAFFIC. Mr. Dennis and Mr. Ricketts are also directors of the holding company, BAT.

*

John M. Preston has been appointed a director of marketing and sales of READS. He replaces Mr. Kenneth M. Bethune, who is representative of the FOR BANKS AND AFFILIATES' ASSOCIATION (including EEC B) from January.

*

Mr. Geoffrey Craven has been appointed managing director S.A.P. He was previously Simon Soitice.

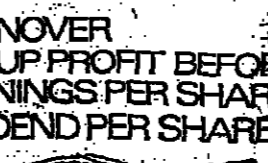
The **BURNETT & WALLAMSHIRE GROUP**

INTERIM STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 1976 (UNAUDITED)

TURNOVER	Six Months	Six Months
	to 30.9.76	to 30.
GROUP PROFIT BEFORE TAX	£12,059,029	£9,809
EARNINGS PER SHARE	£1,952,065	£623
	9.97p	6.
DIVIDEND PER SHARE	1.2779p	1.161

**Adjusted for Share*

- **Profits WELL AHEAD** of corresponding period
- **Financial resources SOUND**
- **Intention to pay MAXIMUM dividend** allowed for year
- **Chairman predicts another RECORD YEAR**



Barnett & Hallowshire Holdings Limited: 119 Psalter Lane, Sheffield S11 8YS. Tel: 0114 277335

The do-gooders

by CHRIS DUNKLEY

being asked themselves by should the devil have all best tunes? Granada Television seem to have set out to y the principles and practice of the prize quiz show and hard sell TV commercial to causes, and came up with the first series ended on Sunday. There has been a surprise if you consider the unusual use of the programme, but interestingly it you remember its commission time in the ill-fated "God-slot" very little from the critics.

Some of the comments that have been made have tended to praise the programme, but the means, that is, the way of doing it, or if, like me, you have a de to detest the breathless style of the quiz show, you are likely to have taken a ten liking to the style simply used it was employed on the of the angels for once. On the contrary, you are likely to been put off the new causes which is was used, no matter good they might have been.

However, I am well aware that a people would call any quiz show "stupid", or at best "diddle class" and would argue. Reports Action was not de primarily to appeal to me say. Lady Plowden, chair of the Independent Broadcasting Authority, has herself said that "Traditionally 'goodness' has been the role of the middle-aged, middle-class, middle female."

Reports on managed to reach quite a few people, "young men a very different background" for instance.

There seems no good reason to suggest that this is other than good thing. So far, 50,000 people have responded to the call to carry kidney donor is, 15,000 others have been lved of unwanted spectacles Indian leper colonies, 1,200 sires have been made by ie thinking of fostering or jing children. 1,600 ers have volunteered to take the elderly and housebound. 0 have taken part in "one- ne" visits at hospitals for mentally handicapped, there e 761 volunteers to become

marriage guidance counsellors, and the list could go on.

Some who have done voluntary work for years look askance and mutter about artificially whipped-up enthusiasm, and predict disappointment all round at the inevitably high drop-out rate. But that seems an absurdly jealous reaction: even 1,900 volunteers and 1,700 drop-outs would surely be 200 better than no volunteers at all. Granada work band in give with Community Service Volunteers and other established voluntary bodies, so there is no question of blithely lobbing new volunteers into the big with a careless about of it.

It is absolutely right and just and admirable that such a wide-spread and dynamic means of communication as television, which tries so hard to make people spend their money in particular ways and tends to keep them sprayed by the fire-side, should also be used to persuade viewers to get out and spend their energy in particular ways for the benefit of others.

Yet, all that said, I still have

reservations about the style. television grievously under-uses its tremendous ability to seduce: fairground barking does not come naturally to her, even in the best of causes, and it shows. There is plenty of work for her on the programme without requiring her to stand up front and sell. If anyone has to do it, then co-presenter Bob Greaves seems more in his element, but I am not persuaded that it is necessary at all. I cannot believe that any great effect results from bullying the amorphous "north west" on screen for failing to produce as many phone-in volunteers as a south west or whatever the care- fully invented comparison may be. Similarly I doubt whether any individual, pondering at home on whether to ring, is actually persuaded by the imper- sonal appeal in urgent tones to "Keep those calls rolling in."

My quibble is only with the details of the choice of style though: Reports Action has supplied ample proof of what Blue Peter's mammoth charity stamp and toy collections have been suggesting for years—that

though it was, and the result is an English country idyll with a vengeance. Hugh Whitmore has adapted the programmes from John Moore's "Brensham Trilogy" which has been re-published to coincide with the programmes. (Collins, £3.95 each).

The experience of reading the books is closely akin to that of lying in a hammock between a couple of apple trees eating a box of Milk Tray: somewhat demodé, but very relaxing, very undemanding, very English, and very morish. With only one 50-minute programme for each of the books, the television cannot (and why should it?) hope to reproduce Moore's fine detail of period habits and of country characters. Yet the first two programmes have managed to do this in an electronic form as elegantly as the hammock-like feeling imparted by the printed versions.

I have complained last month about the small quantity of high-quality comedy this season. I must repeat (partially anyway) and mention the consistency of high standards of Lost of the Star of Wine, produced for BBC by Sydney Loterby, and The Squirrels, produced and directed for ATV by Shaun O'Brian.

There are some definite con- trasts between the two. The scripts are written by one Roy Clarke, while Squirrels employs several—Brian Finch, Kenneth Cope and Eric Chappell, to name the present series. Squirrels, where Wine uses a lot of splendid film shot by Yusuf Azmi in the Yorkshire country- side (all made on tape in the last week of the year), is a loud and causes belly



Alan Howard, Lisa Harrow and John Bots in the Royal Shakespeare Company's new production of John O'Keefe's 'Wild Oats,' which opened at the Aldwych last night

Covent Garden

Schools matinée

by RONALD CRICHTON

The performance of La Bohème on Monday afternoon was one of two schools matinées (the other one reserved for the ballet La Fille mal gardée) which Covent Garden have arranged with the generous help of the Linbury Trust. The sponsors not only cover the difference between reduced and normal seat prices (which, as we know, only too well, won't by any means meet the real cost) but provide for each child a "theatre pack" with notes on Covent Garden, a potted history of opera (none too well done), biographical notes, lists of books and recordings, a programme sheet, a piece on the work and its composer, finally a cut-out cardboard theatre with the Bohème sets and characters.

The best way of course is to be taken out of school, or some how to get to the opera by one self or with friends of one's own age, but that won't happen to every child. A school outing remains a school outing, but there are at least two worthwhile levels on which such an experience may work, apart from the obvious one that anything is better than lessons or games. The first level concerns the breaking down of prejudice against opera as an irrelevant, boring, snobbish entertainment. The second may affect only a few children, but they are the ones who are going to matter later—those who really get the bug, never forget the experience, and go on to become regular opera-goers prepared to sacrifice other pleasures and comforts, or better still come to write or perform themselves.

The afternoon went with every sign of success. There didn't seem to be an empty seat—a nasty gap in the stalls was promptly filled in the first pause. For much of the time one was aware of that mysterious stalling rustle which hundreds of children contrive to produce, but it died away as attention quickened. The young ladies near me were concentrating with like mad, one eye glued to the synopsis with musical illus-

trations—and that may indicate a lurking danger: starting to hear more of it Mark Elder, the conductor. But although the opera with performance in a foreign language. One thing orchestra sound was splendid, needs to be taught (and the apparently isn't known by many elders who ought to know better), namely that the music between the point when the voices stop and the curtain falls is worth hearing—in fact, don't applaud too soon. At least a performance in Italian meant that the audience heard a first-rate cast including the Japanese soprano Yasuko Hayashi singing her first Mimi at Covent Garden, Carreras as Rodolfo, Giossop as Marcello, Howell as Colline, Hammond-Stroud as Benoit. They also heard a young British singer of great promise, Stuart Harling, who made much of that fourth Bohemian. Schaunard, so often dressed or merely negligible. Wendy Fine's Musetta is excellent in the later acts—her brilliant back-and-upstage kills where the producer wouldn't use her song in the café. Another name that those who follow up this experience seem certain to hear more of is Mark Elder, the conductor. But although the opera with performance in a foreign language. One thing orchestra sound was splendid, needs to be taught (and the apparently isn't known by many elders who ought to know better), namely that the music between the point when the voices stop and the curtain falls is worth hearing—in fact, don't applaud too soon. At least a performance in Italian meant that the audience heard a first-rate cast including the Japanese soprano Yasuko Hayashi singing her first Mimi at Covent Garden, Carreras as Rodolfo, Giossop as Marcello, Howell as Colline, Hammond-Stroud as Benoit. They also heard a young British singer of great promise, Stuart Harling, who made much of that fourth Bohemian. Schaunard, so often dressed or merely negligible. Wendy Fine's Musetta is excellent in the later acts—her brilliant back-and-upstage kills where the producer wouldn't use her song in the café. Another

Cat on a Hot Tin Roof

by B. A. YOUNG

You couldn't ask for two more similar plays to open Lord's Best Play series for 1976 than Tennessee Williams' Cat on a Hot Tin Roof. In the theatre, the lines must bear greater weight than in comedy, the lines must be con- sidered simply in the words, like the dots in a Seurat- ning to produce a pattern of perceptible, whereby the- trial has been fully deployed, low different is the dialogue. Tennessee Williams' play- ers, the characters devote it time to expounding single- sidedly what they want. Big- idy (Laurence Olivier) wants son Brick to inherit his 200 and 28,000 acres of plant- is. Brick (Robert Wagner) is to drink himself into for- ling his questionable friend- ship with Skipper. Big Mama (surren Stapleton) is con- sidered only that Big Daddy it's known that he is a cer- cer until after his birthday is finished, and their elder- Gooper (Jack Hedley) wants arm a trust to administer the it if Big Daddy dies and it is unfit to take it over un- til that time. Brick's wife

La Scala, Milan

Otello

by WILLIAM SHAKESPEARE

In one of his first letters to Verdi about Otello, Boito describes the atmosphere of the tragedy as that of a suffocating room, sick, airless. The Franco Zeffirelli production of the opera, which opened the season at La Scala last week, created this atmosphere admirably (after an unnecessarily busy and cluttered first act). The basic set, as in Zeffirelli's Ballo in Maschera, a few years ago, was a room, with panels that could open, revolve, change decoration. Desdemona's chamber was a box within this box, with a cata- falk bed—already seen in Zeffirelli's Metropolitan Otello—and some dark curtains.

This enclosing of the drama was apposite to the interpreta- tion of Plácido Domingo and Mirella Freni. Not a naturally

ing was Carlos Kleiber. This conductor enjoyed a great suc- cess at La Scala last season with a delightfully warm and mellow Rosenkavalier. His Otello here created, where it has been con- sidered by Toscanini, Serafini, De Sabata — was a total triumph. Every bar, every note had a special glow. There was immense power in the explosive opening, and there was a singing sweet- ness throughout, reaching heights of splendour in the great ensemble, and in the grand Third Act finale. The orchestra has never played better; the strings had a new, slither tone; the winds—so im- portant in the Love Duet and the final act—were dead accurate and, as required, tender or sinister. Alberto Zedda's revision of the score, and the accompaniment to the exceptional clarity of this reading; but it was Kleiber's total control and total understanding that made the evening unforgettable.

The splendid tension of the performance was, as is accom- panied by another, less attractive tension. For several days, groups of young extremists had been threatening to interrupt or prevent the Scala opening. As a result there was a cordon of

over 2,000 policemen surround- ing the theatre, from the Gallery across the piazza, down Verdi. To pass, one had to display one's ticket. Then, during the intervals, there were rumours in the foyer, tales (all too true, as it proved) of violence outside: Molotov cocktails, fired trams, wounded on both sides. The beautiful house seemed besieged. It was sad and ironic that this mindless protest should have taken place on the very night when, for the first time in La Scala's history, the inaugural performance was being transmitted, live and in colour, by television throughout the country. This memorable Otello was being seen and heard not only by us privileged few in Milan, but by an estimated 50m. viewers. An occasion, one would have thought, for nation-wide and, as required, tender or sinister. Alberto Zedda's revision of the score, and the accompaniment to the exceptional clarity of this reading; but it was Kleiber's total control and total understanding that made the evening unforgettable.

The Entertainment Guide is on Page 20

heroic, metallic tenor, not a Del Monaco or a McCracken. In other words, Domingo made his Moor a more inward, pensive figure. In fact, he was at his least convinc- ing in the first act. After that he seemed to gain stature, nobility, conviction. Never forcing his voice, Domingo com- manded attention and admiration through the fluency of his singing and his stylish acting. The Desdemona of Mirella Freni was similarly smaller-scale than usually, but it was the right interpretation. She displayed a welcome unconven- tional youthfulness; her teasing of Otello in Act Two, as she pleads for Cassio's reinstatement, was almost kittenish. The play of a girl-wife, sure of her power. Her rejection thus became the more moving. Vocally, she was superb from the start, and in the last act she revealed a new wealth of nuance.

Piero Cappuccelli is a natural Iago, even though on opening night he was not in ideal voice. Zeffirelli encouraged—or at least allowed—him to overact on occasion; the histrionic laughter at the end of the Credo and, worse, at the end of Act Three, was ugly and should be abandoned at once. For the rest, here was a splendid, devilish villain in the deceptive guise of a bluff, easy-going soldier. The smaller roles were all well-cast: Giuliano Clamella, with his Fenton-like sweet tenor, was a particularly good Cassio.

But the real hero of the even-

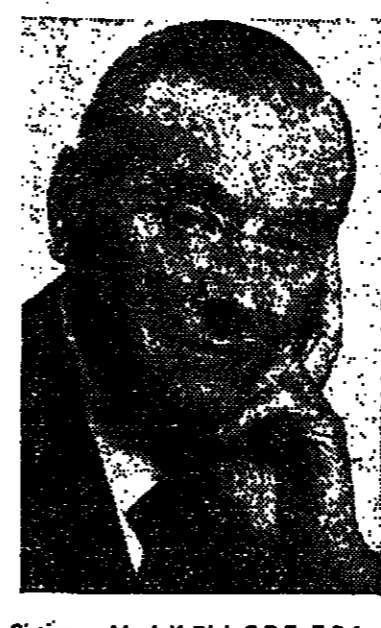
Sonia Ratcliff London exhibition

Sonia Ratcliff, the Lancashire artist who turned professional three years ago, is holding her first London exhibition at the Spenser S. A. Gallery, 166 Grafton Street, W.1, until December 22. She has success- fully shown at the Manchester Academy for the last three years and held a one-woman show at a Clarendon Gallery, Manchester in December last year. Her London exhibition includes paintings of contemporary life as observed in London, Saddle- worth, Oldham, Lytham and the Welsh Coast.

Plays and Players' 1976 awards

The annual Plays and Players awards voted for by 20 London theatre critics are as follows: Best new play: The Fool by Edward Bond. Best new musical: A Chorus Line by Michael Bennett. Best performance by an actor: Ian McKellen as Macbeth in Macbeth and as Leontes in The Winter's Tale for the RSC at Stratford. Best performance by an actress: Janet Suzman as Nisha in The Three Sisters. Best performance by an actor in a supporting role: Philip Locke as Horatio in Hamlet at the National. Best performance by an actress in a supporting role: Angela Pleasance as Marlene in The Bitter Tears of Petra Von Kant at the new End. Most promising new actor: Paul Copley as Hamp in For King and Country at the Mermoid. Most promising new actress: Julie Covington as Janice in Weapons of Happiness and as Dottie in Jumpers at the National. Best production (director): Jonathan Miller for The Three Sisters. Best production (designer): Frantz Salier for La Grande Eugénie.

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1975/6 RESULTS

	1976	1975
Profit before Interest and Taxation	£12,536,000	£10,557,000
Profit before Taxation	£9,544,000	£8,030,000
Funds Employed	£73,051,000	£62,959,000

Dividends per Ordinary Share

	1976	1975
Interim—	0.656 pence	0.656 pence
Proposed Final—	2.670 pence	2.367 pence
Total for the year—	3.326 pence	3.023 pence
Dividend Cover	2.15 times	2.04 times
Earnings per Ordinary Share	7.22 pence	6.19 pence

Principal Group Activities

	Profit Contribution
Engineering	64.3%
Transport, Freight and Storage	50.2%
Commodity Trading	25.1%
Vehicle Distribution	2.4%
Agriculture	5.2%
	5.9%
	2.3%
	9.3%
	100%
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THE ANGLO-POLISH SUMMIT

BY DAVID LASCELLES

Long
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endless rumours in a way that suggests they anticipate change any day.

Nobody cares to predict exactly what is going to happen. This situation is difficult, potentially explosive even, and this calls for caution, if only to avoid upsetting the East-West balance. Reform, therefore, must have its limits.

This is not simply because Poland is not a free agent when it comes to reform, though observers in Warsaw believe the Russians will go a long way to avoid any interference. Cardinal Wysnyski, for instance has been known to condemn certain Government proposals akin to capitalism, while the unofficial Workers' Defence Committee, which sprang up during the trials of the 1956-57, has been seeking redress for legal abuses, but by appealing to outside bodies, not to the Polish Parliament, the Sejm.

Open up

Within the party itself there is talk of establishing a special brand of Polish socialism which takes into account Poland's mixed economy, containing as it does a large private trading sector, its liberal traditions and its desire to open itself up to the world.

Calls for change are not confined to the political sphere. There is also widespread agreement on the need for reform in the economic sphere, not necessarily the abolition of private farming. Clearly, a large part of Poland's problems would be solved if the country could feed itself, which is possible. Mr. Goch, himself criticised at a recent briefing for Polish journalists that the present crisis could have been avoided if the decision to develop an agricultural machinery and chemicals industry had been taken in 1971 instead of 1975.

The aims of land reform, to be discussed at a special party meet-

ing in January, are now to put land in the hands of people who can work it efficiently, irrespective of whether they be private co-operative or state.

But if there is no shortage of ideas, the immediate future is uncertain. The leadership has deliberately put off any fresh decisions about the central issue facing the country, food supplies, until a special conference reports back next autumn. And if that will bring the next storm, Poland at least wants to make the most of the calm before it.

According to a Warsaw journalist and prominent party member, the government is still deeply shaken by the events of June, and nothing will happen until it regains confidence in itself. When it does, it must then seek to recover the confidence of the people. Only then will political change be possible.

Meanwhile, the leadership must live with the consequences of the riots, particularly the stories of police brutality and private initiatives to preserve basic rights such as the Workers' Defence Committee, and the vocal opposition of intellectuals.

Government policy has been to deprecate such themes. But the very fact that it considers them important enough to criticize taken as a sign of concern in high places. But the Government has also had to rebut accusations of police maltreatment when, as was pointed

out to me in Warsaw. In a more open society it would not have to identify itself with the actions of every police officer.

On one point, at least, everyone is agreed: the need for more information. It was clearly a breakdown in feedback from the people to the party and government which led to the serious error of judgment behind the June decision to raise food prices by 65 per cent. at a stroke.

Influential Poles also believe that the government will have trouble regaining popular confidence so long as the people have to rely on outside media for news of Poland.

However, information is still seen as an essential instrument of power, and any relaxation of formal censorship looks remote. The government is also keen to maintain what it calls the propaganda of success to bring Polish achievements home to the workers at a time when things are grim. In this context, one Pole said he believed the British press' propaganda of failure was largely responsible for Britain's low morale.

On the other hand, the leadership appears to recognise the growing need for realistic news and an informal relaxation of censorship is not being ruled out.

None of Poland's stresses has helped the economic situation, which is now under conflicting pressures from a population keen for better living standards and foreign creditors worried

about the balance of payments.

Under the revised economic strategy approved this autumn the Government hopes to please both parties at once by promising heavier investment in consumer goods, food and housing while at the same time giving priority to production for export. But like all policies which aim to please everybody, there must be some doubts whether it will work.

Shaken

According to the Finance Minister, Mr. Henryk Kasieki, these goals will be achieved through a sharp increase in industrial productivity, signs of which he said are already on the way. Over 80 per cent of the growth in industrial output in 1975 will come through higher output per worker.

On the other hand, Poland's terms of trade have deteriorated, particularly in raw materials such as coal, sulphur and copper which form the backbone of exports to the hard currency area. Mr. Kasieki was optimistic about prospects for exports of manufactured goods, though he agreed that these depended on a Western economic recovery.

On the home front, the Government has admitted that it expects that consumption to decline next year, possibly by as much as 2 kilos a head from the 7.5 kilo level per annum reached this year. This is partly because

of bad weather, which has cut back the pig population by some 3m. head. But Poland is also not in a position to consider importing meat on its earlier larger scale. This could well lead to renewed tension in the shops about which the leadership is reported to be anxious.

Like Britain, Poland is looking for a short-term answer to help from abroad—in this case the Soviet Union. The Russians have promised extra deliveries of raw materials, capital goods and consumer goods over the next five years to the tune of 1bn. roubles (about \$1.3bn.) for which Poland will not have to pay until the 1930s. But Pole stress that this is still a promise rather than a definite commitment, and the unwillingness of Polish leaders to discuss the deal suggests it is still at a sensitive stage in negotiation.

In one sense, Poland is better off than Britain. Thanks to the active investment policies initiated by Mr. Gierek, two-thirds of Polish industry is now thoroughly modernised, and substantial export to the West are guaranteed over the coming years by a series of "buy-back" deals.

But like Britain, nobody is predicting quick or easy solutions. And as the Prime Minister Stanislaw Jaroszewicz said in an interview last week, what Poland needs above all else is a period of calm to work out its problems by itself.

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....., 15th December, 1976

BY ADRIAN DICKS. BONN, Dec. 14.

CHANCELLOR Helmut Schmidt is expected to restate his coalition Government's concern to help Britain, Italy and, if necessary, other members of the European Community in economic difficulties when he formally presents his strategy for the next four years to parliament on Thursday.

According to a preview of Schmidt's statement prodded by local news agencies today, the Chancellor will make strengthening of the Community a top priority in foreign affairs during the next period of office, as it has been during the expiring one. Next will apparently come the further improvement of relations with eastern Europe.

In this context, Herr Schmidt is expected to call for renewed efforts to reduce troop strengths in central Europe, and also to announce formally the visit to Bonn early next year of Mr. Leonid Brezhnev.

Before Herr Schmidt can deliver his programme for the coming period of office to the Bundestag, he will, as he is elected, after being formally proposed by the Federal President, Herr-Walter Scheel. There remain doubts among some of the Chancellor's staff and political associates about his chances of winning this vote on the first ballot.

Judging by continuing reports of party disaffection at last week's ill-managed pension payments row, it still seems possible that the Chancellor will have to suffer this rebuff from his own side, though his ultimate confirmation in office is not in serious doubt.

Known as its first action today, the new Bundestag elected Prof. Karl Carstens of the Christian Democratic opposition as its president (Speaker).

BY ALEKSANDAR LEBL BELGRADE, Dec. 14.

YUGOSLAVIA and Iraq will pursue economic relations in the oil and gas sector, the Yugoslav Minister of Foreign Affairs, Vase Prica, Vice-President of the Iraqi Council of Revolutionary Command, Trade will be expanded, Yugoslav concerns are participating in Iraq's oil projects and joint companies will be established for instruction works in Iraq. Iraq is the most important supplier to Yugoslavia of crude oil and refined oil products among the developing countries. In 1975 of the total of 7,400m tonnes of imported oil worth \$655.8m, Iraq redelivered 4,400m tonnes worth \$220.2m. Yugoslavia did not import significant quantities of other Iraqi products, although the Iraqis would like to sell more dates, hides, leather and other goods. In 1975 Yugoslav exports to Iraq last year totalled \$120m. In 1975 Yugoslavia negotiated a \$200m credit with Iraq under very favourable terms. This was used for 1975 and 1976 and a credit for 1977 is being negotiated for a smaller amount.

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Over the last three years, a team at Leeds University carried out a series of scientific experiments. They examined the common strains on the head

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Over the last three years, a medical research team at Leeds University has carried out a series of scientific tests* in which they examined the comparative stresses and strains on the heart of travelling by train and by car.

The heartbeats of a number of businessmen were carefully monitored. Half of them had a history of heart trouble, half were in normal health.

Each was given two tests.

Test one took place in a car travelling on the motorway between Leeds and London. The hearts of all travellers were sent racing by unexpected fog and rain, being overtaken without warning, overtaking at high speeds, even traffic jams.

Peaks ranged from 110 to 140 beats

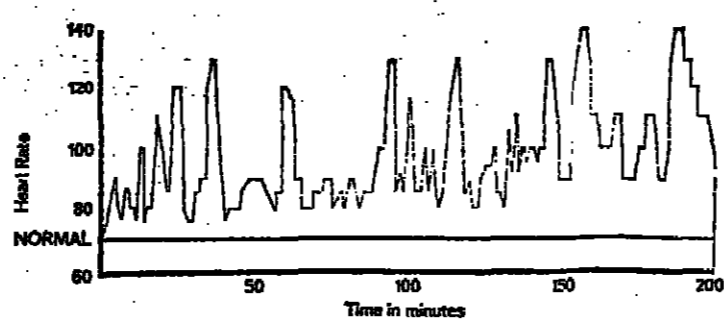
Test two was conducted on the Leeds to London Inter-City service. Maximum heartbeat during the fast two hundred mile journey was a mere 80 beats a minute while most of the time it stayed at around 70. The average during the whole journey was just 72 beats a minute.

So what were the conclusions of the research team?

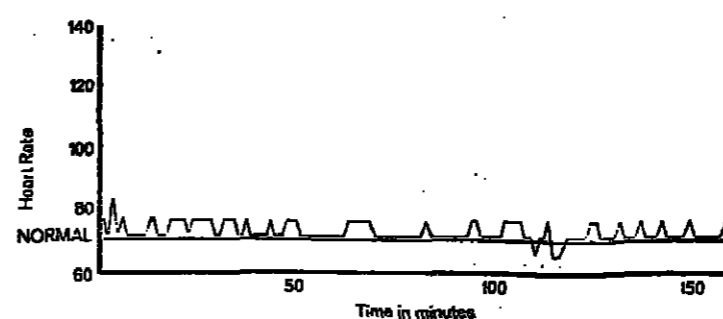
First, many people in middle age, even if they have no history of coronary disease, are at risk from the effects of stress.

And stress is a contributory factor to much modern illness.

Second, in some who have coronary disease, a racing heart can bring on a further attack.



per minute, averaging a surprising 93 beats per minute. For those with heart trouble, the figures were more disturbing, with peaks of 100 to 150.




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^aSource: New Perspectives in Beta-Blockade, CIBA, 1977.

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AMERICAN NEWS

Secret bids plan for U.S. oil stockpile

In the hope of securing oil supplies for its \$100m stockpile programme at less than world prices, the U.S. Government is considering secret competitive bids from foreign oil producers, writes Stewart Fleming in New York.

The U.S. Congress has directed the Federal Energy Administration (FEA) to store at least 150m barrels of oil by the end of 1978, and another 350m barrels by the end of 1982. Officials of the FEA now believe that the cheapest way to secure these supplies would be by competitive bidding among suppliers with bids kept secret so that producers who are prepared to cut prices could not be identified. This would not apply to U.S. domestic oil suppliers whose bids would be published.

Details of the stockpile programme are due to be released shortly. When the FEA sends Congress a report on how it intends to buy and store the oil.

Moscow grain talks

American and Soviet officials are meeting in Moscow this week for three days of consultation on grain trade, the Agriculture Department said in Washington. UPI reports. Officials said that the semi-annual consultation—required under a five-year grain trade agreement signed in October, 1975—will end tomorrow. The first round of consultation was held in Washington last May.

Antigua tax move

The Antiguan Government has announced that it will abolish personal income tax from next month, honouring a promise which was one of the main planks in its platform during the general elections last June. The move was announced by the Minister of Finance, Mr. Reuben Harris, said that the relevant legislation would be presented to the House of Assembly tomorrow. He hinted that the Government would seek revenue lost through the decision by imposing a consumption tax. The opposition Progressive Labour Party estimates that the Government will lose \$67.5m annually because of the move. The Government says it hopes that the move will stimulate more savings and more investment.

Bahamas opposition

The name of the official opposition in the Bahamas Parliament has been changed from the Free National Party to the Bahamian Democratic Party, writes Nicki Kelly in Nassau. The move followed a split in the FNPM when Parliamentary members withdrew their support from leader Cecil Wallace Whitfield. Senator Henry Bostwick leads the new party but Mr. Whitfield continues as leader of the FNPM.

Wallace stock deal

Saudi Arabian businessman Ghailth Pharaon has added a 25 per cent. family holding to become the largest stockholder—with 38 per cent.—in Sam P. Wallace Company, one of the world's largest contractors in the Middle East, and industrial field. UPI reports from Dallas. Mr. Pharaon bought \$50,000 shares of common stock owned by Robert R. Wallace and his family at an undisclosed price.

SE Asia policy

Retiring Senate Democratic leader Mr. Mike Mansfield said yesterday that the foremost task of U.S. policy in south-east Asia was adjusting to realities in Indochina. Reuter reports from Washington. "The current policy of opposition to trade and diplomatic relations with Vietnam and Cambodia and to Vietnam's application for membership to the United Nations... has something in it of the ostrich complex," he said in his report on a recent Southeast Asian tour. "Vietnam is a major force in the Southeast Asian region and this nation's long-range interest to accommodate to the fact," he said.

UN labour disputes

Secretary-General Kurt Waldheim warned UN staff yesterday that strikes and job action were unacceptable forms of pressure that discredited the multinational Secretariat and could disrupt its peace-keeping function. Reuter reports from New York. He said that everyone had an overriding responsibility to the organization and that the interests of the staff were best served in the long run by fulfilling that responsibility. Disputes at the UN's European headquarters in Geneva and at the Food and Agriculture Organisation in Rome interrupted UN services earlier this year. In New York a messengers' stoppage last week interrupted the Secretary-General's personal intervention.

Chile frees prisoners

The last two of the 16 political prisoners the Chilean Government has ordered released on condition that they leave the country, have received Dutch visas and will fly for Holland tomorrow, writes our Buenos Aires correspondent. Like the other 14—who are considered by the Pinochet regime too dangerous to the security of the country—to remain in it at liberty.

Argentina union move

Argentina's military regime has opened its first offensive against the powerful Peronist labour movement, stripping more than 400,000 union members in Government jobs of a wide variety of contract privileges and opening the way for similar action against 2m workers in private industry, UPI reports.

Ecuador plot claim

Ecuador's military Government said yesterday that it had uncovered a plot led by a former Government Minister and two unnamed Roman Catholic priests to overthrow the regime. Reuter reports from Quito. The announcement followed the detention of 28 people after a raid on a church retreat last month.

Jamaica heads for another five years of socialism

BY CANUTE JAMES

KINGSTON, Dec. 14.

THE GENERAL elections here today will offer the Jamaican electorate a straight choice between a capitalist or a socialist administration for the next five years. The 847,000 Jamaican voters are being asked to choose between the People's National Party (PNP), led by Mr. Michael Manley who has been Prime Minister for the last five years, and which has advocated a philosophy of democratic socialism; and the Jamaica Labour Party (JLP) led by Mr. Edward Seaga, which governed the island between 1962 and 1973, and which says it advocates nationalism.

It is commonly accepted here that Mr. Manley and the PNP will be returned for another term in office. A poll conducted recently for the Daily Gleaner newspaper gave the PNP 39 of the 49 seats in the new Parliament, with the other 21 going to the JLP. When the Parliament was dissolved, the PNP had a majority of 20.

However, the degree of the PNP's success could be affected by the results of the new polls, which always favoured the JLP, while relatively high turnout—such as the 72 per cent. of 1972—favour the PNP.

The PNP advocates a continuation of the mixed economy which it started in the last administration, but with the state controlling the "pillars" of the economy. If re-elected, it will maintain restrictions on "non-essential" imports while trying to increase production of import substitutes.

The JLP has promised to concentrate on reforming agriculture, decreasing the role of the State sector in the economy, and allowing the free enterprise system a free reign.

The pre-election economic debate has been coloured by the fact that the JLP has promised to cut the PNP's foreign reserves from \$150m. Now after five years of PNP rule, the country is \$70m. in debt.

The PNP rejects the charge of mismanagement, blaming the world recession in the last five years for the island's economic situation. Moreover its socialist programmes and policies over the past five years have required that all available money be spent on investments whose returns were not reflected in the country's reserves, it says.

It is in this area that Mr. Manley and the PNP are hoping to win the elections. The PNP Violence continued to mar the election campaign right up to the end culminating in the shooting of Mr. Ferdie Neita, the PNP candidate in a suburban Kingston constituency. UPI reports from Kingston. He was taken to hospital in a serious condition after the shooting, at a political rally. Meanwhile, the campaign was officially closed today with a ban on all public meetings and gatherings.

Violence continued to mar the election campaign right up to the end culminating in the shooting of Mr. Ferdie Neita, the PNP candidate in a suburban Kingston constituency. UPI reports from Kingston. He was taken to hospital in a serious condition after the shooting, at a political rally. Meanwhile, the campaign was officially closed today with a ban on all public meetings and gatherings.

It introduced free education between primary and university level, bought unused land from large landowners and leased it to the island's small farmers, introduced a national minimum wage to protect those at the bottom of the economic ladder, and concentrated on mass housing for the poor.

All this, the PNP says, will be continued if it is re-elected. The Manley administration's close ties with neighbouring Cuba have provoked opposition accusations that the PNP intends to make Jamaica a communist country along Cuban lines—a charge angrily rebutted by the PNP, but pressed by Mr. Seaga.

He has said that if the JLP is elected, he will give less importance to relations with Cuba. The Manley administration has embarked on a programme of technical and economic co-operation with Cuba, which involves technicians from one country visiting the other.

Although both parties see the economy and the Cuban connection as the principal issues, public opinion polls here suggest

that although his election victory was not a mandate for independence, the trend towards further change appeared to be irreversible.

The aim of the premier's meeting was to discuss ways of financing health and social services, but they failed to reach agreement in seven hours of talks.

They were continuing their discussions at a private dinner to-night and at another formal session to-morrow.

Mr. Levesque said failure to agree on financial matters proved federalism was a failure.

Conference sources said the Quebec premier's position on separation appeared to have changed.

At least some support from the other provincial leaders, who were unified in their demand for more taxing power from the federal government. Expenditure and spending agreements expire in March.

Reuter

Levesque scorns Trudeau appeal

OTTAWA, Dec. 14.

QUEBEC PREMIER Rene Levesque has scorned a challenge from Prime Minister Pierre Trudeau to help to build a federal Canada in which diverse cultures could thrive and keep Quebec within the federation.

He told a news conference that Canada and Quebec were "like two trains on parallel tracks that will never meet." The only way to end a perpetual confrontation between his predominantly French-speaking province and the rest of the country was to establish a new relationship between Canada and an independent Quebec.

Mr. Trudeau, speaking to a meeting of Canada's 10 provincial Premiers yesterday, appealed to them to build "a more enriching federalism" which recognised cultural and regional identities across the country.

He said federalism meant that diverse cultures could thrive together. It made "our individual liberty, capacity for self-realisation and well-being more secure and better guaranteed than they would be if each community were to attempt to achieve this alone."

Mr. Levesque's statement contained "new elements of vocabulary" but was otherwise the same old theme of Canadian confederation. He said detailed discussion of Quebec's future would have been premature at the premiers' meeting, but added: "We are going towards a definite confrontation."

Referring to his hope that Quebec will opt in a referendum for independence from Canada, he said that, within three or four years, "we'll be out of the system."

The meeting was the first between Mr. Trudeau and Mr. Levesque since the separatist Parti Quebecois won power in provincial elections a month ago. Mr. Levesque told Mr. Trudeau

that although his election victory was not a mandate for independence, the trend towards further change appeared to be irreversible.

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Reuter

U.S. unions want \$25bn. tax cut

BY DAVID BELL

WASHINGTON, Dec. 14.

THE AFL-CIO, the American equivalent of the TUC, favours a \$25bn. tax cut as well as more Government spending to create jobs in the nation's depressed construction sector and to reduce unemployment among black teenagers.

Mr. Lane Kirkland, the powerful secretary of the AFL-CIO who is sometimes talked of as a possible successor to its President, Mr. George Meany, made his case today in an interview. At the same time he cautioned President-elect Carter against adopting a mandatory wage and price guidelines, on the grounds that they do not work.

But the real purpose of the interview, with senior reporters on the New York Times, was almost certainly to demonstrate once again the organisation's support for President-elect Carter. He said federalism meant that diverse cultures could thrive together. It made "our individual liberty, capacity for self-realisation and well-being more secure and better guaranteed than they would be if each community were to attempt to achieve this alone."

Mr. Kirkland said to-day that Mr. Dunlop was as close to conceding himself to the fact that a man can be "affirmative action" to end discrimination. Women's groups distrust Mr. Dunlop for similar reasons and both they and the blacks have been lobbying Mr. Carter fiercely in the past few days. Indeed the appointment is fast becoming for these groups a major test case.

Mr. Carter knows that he owes much to the labour coalition that worked so hard for him in the election campaign, and that the AFL-CIO is now seeking to cash in on this debt. He arguably owed even more to the support of blacks, who are already beginning to murmur that the new Administration seems to be paying much less attention to them

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Mr. Carter knows that he owes much to the labour coalition that worked so hard for him in the election campaign, and that the AFL-CIO is now seeking to cash in on this debt. He arguably owed even more to the support of blacks, who are already beginning to murmur that the new Administration seems to be paying much less attention to them

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Dole says Republicans must seek black vote

By Jurek Martin

WASHINGTON, Dec. 14.

SENATOR Robert Dole from Kansas, the defeated Republican Vice-Presidential candidate, is recommending that the party make appeals to black Americans as a major priority of its policies in the next two years.

In an interview with the Washington Post to-day, he said bluntly: "We're not going to win many elections if the other side gets 95 per cent. of the black vote."

He suggested that the party should actively recruit black candidates to run in the 1978 Congressional elections.

His analysis is, of course, unexceptional, since it was the black vote, mined out in considerable numbers, which handed Mr. Jimmy Carter the White House.

But although moderate Republicans are repeatedly urging that the party become less elitist and open its doors to minority groups, there is precious little hard evidence that this will materialise at present. Indeed the budding struggle for control of the party seems increasingly likely to be fought out on ideological grounds that will have little relevance to the disadvantaged in the country.

Mr. Ronald Reagan from California, whose determination to see the party's future becoming more pronounced today, is currently putting about the theory that he could have beaten Mr. Carter last month, for the very simple reason that he, unlike Mr. Ford, would not have been saddled with the albatross of the Watergate scandal.

In other words, Mr. Reagan is saying that he had all the right ideas to win an election in 1976 and could still do so in the future. These ideas are based on his fundamental conservatism and do not take much account of the moderates desire to broaden the base of the party. When asked, as he was on television the other day, whether he was concerned that blacks seemed to have abandoned the Republican Party, he merely replied that his Californian delegation to the national convention in Kansas City included blacks who were loyal to him.

But he leaves the impression that these ideas are inherited by the party's leadership, and that the party's future is based on its fundamental conservatism and do not take much account of the moderates desire to broaden the base of the party. When asked, as he was on television the other day, whether he was concerned that blacks seemed to have abandoned the Republican Party, he merely replied that his Californian delegation to the national convention in Kansas City included blacks who were loyal to him.

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Israeli forces clash with students on West Bank

BY L. DANIEL

JERUSALEM, Dec. 14.

THE WAVE of unrest in the Israeli-occupied West Bank spreading with clashes between hundreds of high school pupils and Israeli forces reported in a number of towns, as well as in the old city of Jerusalem, to-morrow. West Bank merchants intend to keep all shops closed, ostensibly against the introduction of VAT (already in operation in Israel for six months). However, the general merchandise strike is clearly motivated not only by commercial considerations but by a political desire to demonstrate against the Israeli administration.

With talks in progress in Damascus on the future of strategy of the Palestinian guerrilla movements, West Bank mayors have been at great pains to disassociate themselves from such talk that looks remotely Israeli-inspired.

Thus the majority has opposed the possibility raised by Israeli Premier Yitzhak Rabin in a newspaper interview that West Bank mayors might participate in a Jordanian peace conference on the Middle East.

The main centre of disturbances in the West Bank this

morning was Ramallah, near Jerusalem, where high school pupils have been aroused by a decision of the local mayor, Karim Kahalal, to declare a general strike to-morrow rather than simply a merchants' strike.

Israeli Defence Minister Shimon Peres has urged the U.S. to boost economic and military aid to Israel during 1978. Reuter reports from Washington. Israel has officially requested \$2.5bn. in aid for the year. Of this \$1.5bn. is for military purposes. President Ford's 1978 budget, in which Israel would receive less than \$1.8bn., goes to Congress next month, and could be modified by President-elect Jimmy Carter when he takes over on January 20.

Hundreds of youngsters set up roadblocks of burning tyres, hauled a wrecker car into the town, and rained a hail of stones on Israeli soldiers and policemen, shouting nationalist slogans.

In the old City of Jerusalem,

large groups of youngsters gathered at the entrance of the high schools and from there threw burning tyres into a road and stoned all pass vehicles. In other parts of Old City, they threw garbages into the streets and set the tents on fire.

PRIME Minister Yitzhak Rabin's coalition government was to-night facing the close vote of no-confidence in its and the late arrival of an air from abroad could be critical. But most observers expected Government to scrape thro by two to three votes.

The issue is a religious one, the bidding of Sun-Air E. ceremony last Friday to honour the arrival of the first U.S.-built F-15 Eagle. Air interceptors at an hour close the beginning of the Sabbath. This, says the ultra-religious Tori Religious Front, was a desecration of the Sabbath, which begins at 6 p.m.

Meeting on Lebanon arms issue

BY IHSAN HIJAZI

BEIRUT, Dec. 14.

A SPECIAL Arab committee met here to-day under President Elias Sarkis to deal with the question of collecting heavy weapons from rival Lebanese factions and Palestinian guerrillas.

This was the first meeting of the four-member committee since it was formed by the Arab summit conference in Amman in October, which laid down plans for peace in Lebanon.

The committee comprises the Saudi, Kuwaiti and Egyptian ambassadors here, and Col. Mohammed al-Kholy representing Syria. The Saudi and Kuwaiti envoys are new, and submitted their credentials to President Sarkis yesterday in preparation for to-day's conference.

The collection of heavy weapons was one of the results of the Syria-dominated Arab detentions in which the Government has already moved some of its tanks, armoured cars and artillery to the mountains over in Cairo.

Right-wing Christian groups, looking the Christian port of

who fought Lebanese Left-wingers and Palestinian guerrillas during the 19-month civil war, made the collection of their own heavy weapons dependent on the guerrillas handing over theirs.

The commanders maintained that they needed to keep some of their arms to continue the struggle against Israel and to defend the Palestinian camps against possible Israeli raids.

The Right was not convinced of the argument. President Hafer al-Assad of Syria has already intervened and some of the difficulties are said to have been settled at a meeting with Mr. Yasser Arafat, the chairman of the Palestine Liberation Organisation, in Damascus earlier this month.

None of the factions is expected to give up its heavy weapons completely, but to store them in specified places outside Beirut under the supervision of the Syria-dominated Arab detentions in which the Government has already moved some of its tanks, armoured cars and artillery to the mountains over in Cairo.

Right-wing Christian groups, looking the Christian port of

Jounieh about nine miles north of here.

If and when the issue of heavy weapons is settled, a step towards stability will have been accomplished. Compromise could mean recurrence of tension. Both the Syrians and President Sarkis, who is over commander of the detentions, were reported to have dropped hints that all weapons must be collected peacefully by peaceful means but by force if necessary.

Reuter adds: The Rightist Phalangist radio reported a bomb explosion in Christian Beirut. It reported no casualties when the bomb wrecked the car of a Phalangist official, Mr. Karim Fakrad. The Syrian authorities carried out a massive campaign of arrest in Damascus against members of a Communist group reported to-day. T. detained are members of a breakaway Communist group headed by Riad Turk, the reason for their arrest is known—IPS.

Police quiz black editor

JOHANNESBURG, Dec. 14.

WORLD TRADE NEWS

Polish PM will stress imbalance with Britain

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE BRITAIN and Poland exchange of trade to be among the main topics for discussion during the day visit to London of the Polish Prime Minister Mr. Jozef Jaruzelski, who begins today, both sides will be making long selling rather than buying.

According to Mr. Jaruzelski, an interview with the Financial Times, he expects to be signed some economic agreements in London, as well as exploring ways of expanding co-operation.

But he emphasised that one of the main aims will be to stress the imbalance in Anglo-Polish trade which has favoured Britain for many years. Though the British will continue to import Polish machinery and equipment, he said, it was important that Britain should start buying more from Poland.

He was particularly keen, he said, to increase sales of Polish machinery and equipment. We must build up a new tradition in this sphere," he commented.

If this did not happen, he stated, Poland might have to restrict its imports. In the first nine months of this year British exports were £142m. and imports £114m. Last year Britain had a surplus of \$40m.

Mr. Jaruzelski said he was also keen to discuss obstacles to trade, including those raised by Britain's membership of the EEC, such as the common commercial and agricultural policies which had had a severe effect on Polish exports. He also expected to discuss problems arising from the new EEC 200-mile fishing limit.

The Prime Minister will be accompanied by the Minister of Foreign Trade, Mr. Jozef Skrzypczak, the Minister of the Chemical Industry, Mr. Konopinski, and the deputy head of the Planning Commission, Mr. Giesik. He will have two talks with the British Prime Minister, Mr. Callaghan, and meet British industrialists.

His programme also includes a visit to the London Metal Exchange and a ride on the high-speed train.

According to a statement by the Polish press, Mr. Callaghan, he expects the visit to improve co-operation in the fields of

construction, metallurgy, food processing and the aircraft industry.

Among contracts currently under negotiation, there are understood to be deals for the construction by British companies of hotels and airline buildings in Poland. Chemical plants are also being discussed, as well as British participation in the modernisation of Polish railways.

The visit takes place against the background of a growing determination by Poland to pay off its hard currency debt. Production for export has priority in the new five-year plan, and Poland hopes to be back in surplus by the end of the decade.

The balance of payments is of major concern. Polish officials have stressed that although their export plans are based on hopes of a Western recovery they would be prepared to cut back imports if the balance of payments did not improve. This would even be done at the cost of having to reduce Poland's high rate of industrial growth.

Brazilian rail deal concluded

By Nicholas Owen

BRITAIN'S General Electric Company, which is to provide £150m-worth of equipment and services for expansion and modernisation of part of Brazil's railway system, is hopeful that the links forged between the group and a local company will lead to further Anglo-Brazilian co-operation on other Third World rail projects.

This was disclosed yesterday by GEC officials after the formal signing of the final part of a loan package to enable Brazil to finance the building of a new "steel railway" from the Belo Horizonte iron mines to the steel works at Volta Redonda plus the electrification of other lines towards Sao Paulo and the port at Sepetiba, near Rio de Janeiro. The total cost is put at nearly \$500m.

Yesterday's signing—aboard British Rail's High Speed Train on a special run between London and South Wales—was of a \$200m. Euroloan for the Brazilian Federal Railway System. N. M. Rothschild, the London merchant bank, is lead manager for the loan which complements another of £127m. in sterling provided by the U.K. and Scottish clearing banks.

GEC's local partner will be the large Villares engineering group, which is becoming involved in a railway project for the first time. Other Brazilian companies are active in railway construction elsewhere in Latin America and in Nigeria. GEC expects that its present technology agreement with Villares will hold good for further work.

It was emphasised, however, that there are no direct shareholdings between the two companies.

Men and Matters, Page 14

Siemens in Malta

Siemens has won a 16.5m. contract to provide Libya with new internal and external telephone exchanges. Siemens will supply and install 17 automatic exchanges and 77 terminal exchanges.

BL and VW Kenyan plant sets pattern for future co-operation

BY TERRY DODSWORTH

NAIROBI, Dec. 14.

THE LONG term Kenyan Government plan to establish a domestic commercial vehicle manufacturing business took its first major step yesterday with the opening of a £13m. Land Rover truck and Volkswagen mini-bus plant at Thika near Nairobi.

Launching the plant yesterday, at a picturesque assembly punctuated by tribal dancing and attended by Mr. Jomo Kenyatta, the Kenyan President, Mr. Alex Park, the British Leyland Chief Executive, said that it would provide a model for other international co-operative ventures. These must "inevitably follow in other countries around the world which are seeking to create industrial processes for the benefit of their citizens."

In reply, Mr. Kenyatta told a crowd of 5,000 who had flocked to the plant for the launch ceremony that it was a demonstration of the way in which political stability could attract investment funds. Kenyans must work hard to continue attracting such investment, he said.

General Motors factory manager Bedford and four vehicles in Nairobi is expected to follow the Leyland plant within the next 12 months.

Another project at Mombasa, in which a joint company owned by cent., the Kenyan Government, Lonrho and Incheape will be making a wide variety of different marques, is also under development.

The Leyland factory marks an important new approach in the company's dealings with the developing world. Throughout the project the Kenyan authorities and local business interests have been given a much greater stake than is normal on developments of this kind.

About 40 per cent. of all the equipment in the plant was manufactured locally, with Leyland, and companies like Carrier Dryers which designed the paint plant, sending out designs for construction in Kenya.

Roughly 30 per cent. of the finished vehicles will also be Kenyan-made. Under a recent Government directive this local content level will be stepped up gradually.

Leyland has also departed from conventional practice in many parts of the world by accepting a partnership deal in the project which gives it less than a controlling interest of 50 per cent.

between Leyland with 45 per cent., the Kenyan Government with 35 per cent., and CMC Holdings a locally-owned distribution company, with 20 per cent. British Leyland has a ten-year renewable contract to manage the plant.

Initially, the Phika facility, standing in 30 acres, will employ about 250 people. It has a capacity of 3,650 vehicles a year, but this can be doubled with two-shift workings. In the longer term there is a possibility of some car assembly as well.

Output initially will be split between Land-Rovers, Range-Rovers a range of medium weight Leyland Albion trucks, and the Volkswagen mini-bus. VW, which will supply kits for local assembly on the same basis as Leyland, was invited to join the project because of the potential for the mini-bus in the local tourist market.

Although the Phika plant, with a capacity for about 1,200 Land-Rovers, will clearly help to reduce the pressure on production at Solihull in Britain, the U.K. company is expected to go ahead with its own planned Land-Rover and Range-Rover expansion next year.

Dutch plan new gas terminal

By Michael Van Os

AMSTERDAM, Dec. 14.

THREE DUTCH companies have decided jointly to study the building of a gas storage and transshipment installation in one of the Dutch ports, for which purpose a company will be formed called Eurogas Terminals.

The three companies are Van Ommen and Paklaan (part of Pakhoed), which are normally each other's main competitors in the storage field, and Thyssen-Bornemisza Europe, the industrial holdings companies which also has varied interests in the Rotterdam area.

A spokesman said in Rotterdam today that the installation to be built will be suitable for storage and transshipment for third parties of liquid petroleum gas (LPG) and chemical gases. It is envisaged initially to undertake pressurised storage and to include, at a later stage, refrigerated storage. It was added that the Dutch Government has ordered a so-called "risk study" which is now being carried out.

The joint venture has tentatively concluded that such a project is feasible and it is due to enter operation in mid/end 1979. The first phase of the plan provides for 10 to 15 tanks of 2,000 cubic metres each and investment could amount to around £15.50m.

The spokesman said that the initial market for the stored products would be the Benelux and Germany's industrial centres and that primarily a range of Dutch ports were being considered as well as foreign ports on the Continent. Much of the gas to be dealt with would come from the North Sea.

Assuming all permits are received for the project, the joint venture hopes to start actual construction in the third to fourth quarter of 1977.

Sharp rise in W. German imports

BY GUY HAWTIN

FRANKFURT, Dec. 14.

WEST GERMANY's exports to other European countries in the first nine months of this year rose by 37 per cent. while imports rose by 41 per cent. The balance of trade in the first nine months of this year was a deficit of 11.25bn. (£1.25bn.).

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This means that in the first nine months of the year, the trade balance was in deficit by 11.25bn. (£1.25bn.).

The prime beneficiaries from this trend have been Romania and the Soviet Union. The Romanian deficit in trade with West Germany fell in the first nine months of this year by 11.25bn. (£1.25bn.).

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imports amounted to \$11.6bn. and exports to \$15.7bn. At the same time the West's surplus in trade fell back by 15 per cent. to \$4.6bn. compared with the same period of 1976.

Western Europe's surplus fell particularly heavily, by 53.7 per cent. to \$1.4bn. whereas North America's surplus rose by 59.8 per cent. to \$2bn. West Germany's share of the West's exports to the centrally planned economies amounted to 21.4 per cent., while its proportion of imports account for 17.9 per cent. of the total.

The proportion of finished products imported increased from the previous year's 30.4 per cent. to 33.5 per cent. However, the proportion of technological products, such as machinery, cars and instruments, remains low, at just over 5.5 per cent. Some 44.6 per cent. of West Germany's exports came in this category.

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Japanese buy Boeing

TSUKUBA, Dec. 14.

JAPAN'S South-West Airlines said today it has chosen Boeing 737 jetliners, instead of British Aerospace Corporation One-Eleven, to replace its ageing S-11 turbo-prop aircraft.

The airline, based in Okinawa, the Southern-most island of Japan, said it recently sent a letter of intent to Boeing saying it would buy three Boeing 737s in delivery in April and December, 1979, and August, 1979, and facing an option to buy one to be delivered in December, 1980.

Last month the influential Federation of Economic Organisations (Keidanren) sounded out Japanese domestic airlines on the possibility of buying BAC One-Eleven jetliners from Britain to help reduce Japan's surplus in trade with Britain.

South-West Airlines said it preferred the Boeing 737 because of the British jetliner's smaller seating capacity and because Japanese airlines are not familiar with the BAC One-Eleven.

Peru compensates Swiss

BY JOHN WICKS

ZURICH, Dec. 14.

ASH COMPENSATION can now be paid by the Peruvian Government to Swiss shareholders in power, telephone and cement companies nationalised in Peru.

The agreement does not affect the Swiss-Franc and dollar bonds of the former Lima Light and Power Company and Energia Hidroeléctrica Andina owned by the Swiss business.

The Peruvian Government continues to guarantee interest and amortisation payments.

Mitsubishi Motor Company has established a Swiss car sales company called MMC Automobile A.G. jointly with EBB Group of Switzerland for marketing of Mitsubishi's cars there. Capitalised at about ¥350m. and 80 per cent. owned by the EBB group, the company will market 1,000 to 2,000 Mitsubishi cars a year to Switzerland starting from March next year.

The Swiss watch industry has called for new measures to counter the high exchange rate of the Swiss franc. A statement by the Swiss Watch Chamber says that the industry, said exports in the first 10 months of this year were 6.8 per cent. below those for the corresponding period of 1976, and almost 30 per cent. down on exports for January-October, 1974.

Better Chrysler terms. CHRYSLER FRANCE is introducing improved deal for car drivers that includes limited guarantees of price and delivery. The company is guaranteeing the purchase price of a new car for two months from the date of order, if the price changes after this the buyer has the option of cancelling the order.

In addition the date of delivery will be written into the contract and the purchaser may cancel if it is not met. If the car is delivered more than three months after the down payment, then the buyer will earn interest for the client at commercial rates during the intervening period.

Finnish orders. A. Ahlstrom Oy of Finland has won two valuable orders, one from the Soviet Union and the other from West Germany, with a combined value of about £10.50m. (£10.5m.). The Soviet order is for the complete machinery for a paper mill to be built in Gorky, Leningrad, and the other from West Germany, Ahlstrom has contracted for the total re-

electricity, telephone and cement undertakings nationalised by the Government, the remainder going to finance Peruvian investment projects.

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Mitsubishi Motor Company has established a Swiss car sales company called MMC Automobile A.G. jointly with EBB Group of Switzerland for marketing of Mitsubishi's cars there. Capitalised at about ¥350m. and 80 per cent. owned by the EBB group, the company will market 1,000 to 2,000 Mitsubishi cars a year to Switzerland starting from March next year.

The Swiss watch industry has called for new measures to counter the high exchange rate of the Swiss franc. A statement by the Swiss Watch Chamber says that the industry, said exports in the first 10 months of this year were 6.8 per cent. below those for the corresponding period of 1976, and almost 30 per cent. down on exports for January-October, 1974.

Better Chrysler terms. CHRYSLER FRANCE is introducing improved deal for car drivers that includes limited guarantees of price and delivery. The company is guaranteeing the purchase price of a new car for two months from the date of order, if the price changes after this the buyer has the option of cancelling the order.

In addition the date of delivery will be written into the contract and the purchaser may cancel if it is not met. If the car is delivered more than three months after the down payment, then the buyer will earn interest for the client at commercial rates during the intervening period.

Finnish orders. A. Ahlstrom Oy of Finland has won two valuable orders, one from the Soviet Union and the other from West Germany, with a combined value of about £10.50m. (£10.5m.). The Soviet order is for the complete machinery for a paper mill to be built in Gorky, Leningrad, and the other from West Germany, Ahlstrom has contracted for the total re-



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HOME NEWS

Cheap air fares in Europe 'closer'

By Michael Donne, Aerospace Correspondent

HOPES BY the Civil Aviation Authority that cheap-fare Advanced Booking Charters will become possible throughout Europe in the near future have been boosted by a decision by the German and Spanish Governments to permit this form of air travel between the two countries.

This form of cheap-fare charter is different from the normal low-fare inclusive-tour travel, which is widely used from Britain, in that it does not include the cost of hotels or ground transport. As a result, the ABC fares can be much lower than inclusive-tour fares.

The Authority has been campaigning for a long time for cheaper European air fares, and in particular has been pressing for a widespread introduction of cheap ABC rates between Europe and Britain. Hitherto, this plan has been blocked by other European Governments.

The Spanish-German agreement, therefore, represents a breakthrough, and according to the Authority is one of the most encouraging developments yet in the move towards cheaper European fares.

Merger denied

At the same time, however, the Authority is anxious to retain some control over the levels of fares, and it is seeking to tighten the regulations governing what are called "throwaway holidays" from Britain to Europe.

Under these holidays, the tour organisers offer very cheap inclusive tour air fares with minimal hotel accommodation, recognising that the travellers only use the low fares and do not use the hotel element of the package.

At a public hearing in London yesterday, it was said that in some cases holidaymakers have been encouraged to reject the hotel accommodation on such holidays.

A number of tour organisers argue that this is the only way in which they can really offer clients cheap air fares, and that the sooner the whole system is changed the better.

● Suggestions circulating in the civil aviation industry that the British Airports Authority and the Civil Aviation Authority may be merged have been categorically denied by both organisations and the Department of Trade.

£1m. project lifts output at Callard

GALLARD AND BOWSER has completed a £1m. redevelopment programme at its Hayes, Middlesex, plant. The bulk of the money has been spent on new production and packaging machinery, which will increase output of a modified toilet product by 60 to 70 per cent.

The production line has been automated without any loss of jobs.

Gilts market may be hit if Healey disappoints

By Margaret Reid

A WARNING that the recent big buying of Government stocks could be abruptly reversed if today's mini-Budget fails to measure in toughness up to international expectations, was sounded yesterday by a leading stockbroker in the gilt-edged market.

"At the moment, the prospect is uncertain. If anything goes wrong to-morrow, there could be a good rush for the exit in the gilt-edged market," said Mr. Nigel Althaus, senior partner of Pemberton and Boyle.

On the other hand, if the package has the International Monetary Fund's good house-keeping seal on it, the outlook should not be too bad.

Given a favourable reception to the measures to be announced this afternoon by Mr. Denis Healey, the Chancellor, he thought that considerable foreign money could flow in for investment in Government stocks, which have recently been heavily bought by British institutions.

Mr. Althaus was speaking as his firm, one of the largest in the gilt-edged market, issued a further edition of its lengthy study, *British Government Securities in the Twentieth Century*, covering 1850-1976.

The preface reviews three expedients which have been much discussed as possible means of advancing Government funding—bonds indexed to the cost of living, variable interest bonds and a tender system for gilt sales—without endorsing over any of them.

Of the imminent Government measures, Mr. Althaus thought it essential for the arrangements to provide for continuing policies of Britain's prosperity by the IMF.

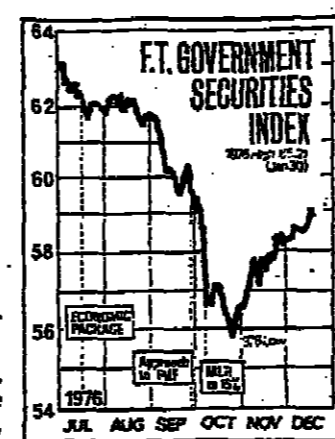
Without this, the reception for the package would be poor. "But if you actually have the policeman here with his hand

on your collar, it's a rather different matter."

If the package were approved, the effect on gilts should be good. For, said Mr. Althaus, referring to the recent buying which has driven the redemption yield on long gilts down from over 10 per cent. to 7.5 per cent., "the British institutions have put most of the money they have to invest in already, foreigners could well move in quite in force."

Of possible indexation of gilts, Mr. Althaus said: "It would be quite wrong to introduce indexation of Government debt in isolation to enable the Government to meet an excessive borrowing requirement."

"There is much concern already about the 'crowding out' effect of the borrowing requirement on the private sector. "If indexation were introduced for the public sector alone, the crowding out would become absolute. Indexation would have



to be brought into play almost through the economy—in mortgages and, especially, in the tax system."

The point is also made that a sensible system of indexation "would open the way to a wholesale conversion of existing Government debt into indexed bonds, with savings in at least immediate interest costs."

Of a possible auction, or tender, method for selling Government bonds, Mr. Althaus said: "It is not a system that we like, and we hope it would only be a last resort." This is largely because it would hit the existing gilt market, diverting activity from it to the detriment of jobbers as the market makers of the system.

Consumers recover confidence, but hesitate to buy

By Elinor Goodman, Consumer Affairs Correspondent

THE MOST recent British gloomiest view ever recorded. Market Research Bureau survey of consumer confidence for the financial Times shows that there has been a marked recovery in confidence from the very low level reached at the height of the recent crisis.

But people are continuing to feel very badly hit by inflation, and the recovery in confidence is beginning to make consumers less enthusiastic about the wisdom of buying major items for the house in spite of fears of an increase in VAT in today's mini-Budget and other price rises.

The research, carried out in the last week of November, shows that consumers' confidence about their future financial prospects had recovered to its highest level since September.

This possibly reflects the slightly better economic news that week—most notably the National Institute for Economic and Social Research's forecasts. Even so, people were still gloomier than they had been either at the end of last year or in the first few months of this year when a much more optimistic picture was emerging from the survey.

According to the latest figures, those expecting things to worsen outnumbered those expecting things to get better by 25 per cent. among all adults. In the November survey, the pessimists were outweighing the optimists by 36 per cent., which was the

Special financial accounts urged for workers

By Michael Cafferty

PROPOSALS ON the disclosure and presentation of financial information to employees were unveiled yesterday by the Hundy Group of top chartered accountants in industry and commerce.

The group says that annual reports and accounts should be made available to all employees but it attaches far greater importance to the provision of other information statements specifically designed for employees.

These would include simplified statements of value added, cash flows, assets and liabilities, employee benefits, and special information about matters not directly affecting each employee in his own factory or place of work. The latter would cover details of progress in the factory in which he worked, the outlook for the factory and future plans.

The group says that it attaches the greatest importance to the wider information covering a whole group.

The additional information could be presented in a variety of ways. But, while a special employee report has been general, the group thinks that oral/visual presentation and explanation by line managers could be more effective.

Dealing with the controversy of giving privileged information to the group suggests that this is not such a difficult matter as is often alleged.

"If information is given in a localised form it often tends to be price-sensitive and of value to competitors. What some small firms may have to take in this area, the value of securing fuller participation in a hence more effective working outwards this disadvantage," states.

Financial Information for Employees. The Hundy Group. From Peter Gilbert, London Chartered Accountants, 35 Finsbury Square, London EC2A 1JF.

Big towns seek aid for centres

By Stuart Alexander

GREATER CO-ORDINATION Government policies and a swif of some financial resources required if the decline of industrial hearts of conurbations is to be arrested, according to the Association of Metropolitan Authorities.

Presenting an association report, Cities in Decline, in I don yesterday Mr. Kenneth W. Mer, chairman of its plan and transport committee, a local authority associations, the larger individual authority should seek representation in the National Economic Development Council and on those individual industry bodies appropriate in terms of the industrial base of an area.

He called for reversal of New Town development programme. Provisions should be made under the Community Land Act and rate support grant allocation to let local authorities assemble "city-centre" parcels of industrial land suitable for development.

It would make more sense, Mr. Woolmer, to redevelop up auxiliary facilities such as schools, hospitals and drains already existing, rather than encourage industry to redevelop areas that had swelled up Green Belt land.

Aluminium set for boom year

FINANCIAL TIMES REPORTER

BRITAIN'S aluminium industry looks set to equal its second best year—1973—in dispatches to customers, improving substantially on its results in 1975 and falling behind only the boom year of 1974.

Figures issued by the Aluminium Federation in Birmingham show that the industry returned to a reasonably high level of activity in most areas in October after the summer lull, as customers began to restock.

Primary aluminium dispatches rose to 54,211 tonnes, compared with 35,792 tonnes in September, and secondary dispatches at 18,301 were also at a high level. Production of primary metal was down, mainly as a result of a fire which took half British Aluminium's Invergoron smelter out of commission and imports, at 22,356 tonnes, were

correspondingly up, to reach the second highest total this year. Dispatches of rolled products, at 20,190 tonnes, were up on the previous month's figure of 17,508 tonnes and on the low August total of 14,297 tonnes, but dispatches of extrusions, at 16,483 tonnes, were down somewhat on the September figure.

Dispatches of rolled products for the first 10 months were some 17 per cent. ahead of the corresponding period of 1975 and dispatches of extrusions were 14 per cent. up.

	Oct. 76	Oct. 75	Jan. 76
Primary production	24,418	26,792	274,807
Primary imports	22,356	17,453	181,494
Primary dispatches	54,211	47,426	489,251
Secondary production	18,277	16,131	169,442
Secondary dispatches	18,301	16,846	164,040
Rolling Products dispatches	20,290	17,339	177,747
Extrusion dispatches	16,483	15,330	153,864

Sun 'could help crops more'

By David Fishlock, Science Editor

THE CASE for working for higher yields from arable crops as the most promising way of harnessing solar energy in Britain is being prepared by the Agriculture Research Council for an important energy study.

The council has been compiling statistics which show that average crops yields in Britain for the period 1973-75 were less than half the best achieved. Even yields from "average good" farmers fell below the best during this period.

Sir William Henderson, secretary of the council, is planning to lay his case that arable crop farming is already the biggest user of solar energy in the U.K., but one whose efficiency could be greatly improved, before an energy study being made by the Royal Society.

Sir William yesterday presented figures showing that

average yields of potatoes in Britain were only 25 tonnes a hectare, compared with 50 tonnes for "average good" farmers and 85 tonnes for the best yields achieved.

Yields of tomatoes averaged only 115.9 tonnes a hectare, compared with 260 tonnes for "average good" farmers and 350 tonnes for the best achieved.

Similar patterns were found in the yields of wheat, barley, sugar, and apples. Sir William said that much could be done to improve yields by applying knowledge already existing, but that was not the whole story.

"We do not know enough about cultural priorities, water control, soil problems, and the control of weeds, pests and disease fully to exploit the potentials provided by the plant breeder."

About 55 per cent. of the funds

for the Agriculture Research Council come in the form of research contracts placed by the Ministry of Agriculture, Food, and Fisheries.

The council, which spent a total of nearly £34m. last year, expected that in real terms it would have to reduce its research effort, but was preparing to do so by not filling all the vacant posts which became available.

It had established a working party to help determine research priorities. One which had already been given high priority was the variability of crop yields in Britain.

Also apparent was a "slight decrease" in the effort accorded to fruit research and a corresponding increase in work on cereal crops.

Annual report of the Agricultural Research Council 1975-76, SO. 12.

Imported trucks win bigger sales slice

By Stuart Alexander

IMPORTED COMMERCIAL vehicles increased their share of the U.K. market last month taking 14 per cent. of the total compared with 9.8 per cent. 12 months before.

In the first 11 months of the year, they pushed up their share from 11.3 per cent. in 1975 to 13.95 per cent. this year. Last month was a better month for commercial vehicle sales, which were 5 per cent. on November 1975, at 15,249, but the running total for the first 11 months was still 5.5 per cent. down on 1975 at 185,252, according to figures issued yesterday by the Society of Motor Manufacturers and Traders.

Ford continued to lead the market, with 24.1 per cent. share of all commercial vehicle sales, followed by Leyland with 28.1 per cent. Bedford with 17.8 per cent. and Chrysler with 4.5 per cent.

Although Ford took the overall largest share, this was based on its success in the market for heavier goods vehicles.

Leyland overwhelmingly dominated the bus, coach and taxi sector as well as having the edge in the car-derived van and pick-up market.

However, Ford was also the main supplier of other goods vehicles up to 3½ tons, where it took marginally under 50 per cent.

New television relay station

THE INDEPENDENT Broadcasting Authority's new UHF television relay station at Woburn, near Bedford, is due to be opened on Friday, carrying the London programmes of Thames Television and London Weekend Television on Channel 58.

Farm methods threaten wildlife, says report

THE DIFFICULTIES of reconciling modern agriculture and the effect on the natural environment are emphasised by the Nature Conservancy Council in its annual report for 1975-76, published yesterday. The situation, it says, unless the significance of what is happening is realised.

Increased mechanisation, improved drainage techniques, increased ploughing and the extensive use of pesticides and fertilisers meant that farmland no longer supported the wide range of wild plants and animals it did.

"We are convinced that only if the nation specifically plans for wildlife will it survive to any significant extent in the lowlands

and more fertile uplands." Ponds, ditches and hedgerows are all disappearing, and 36 of the 50 or so most common farmland birds needed at least hedges, and preferably woodland, to survive. Twenty-four species of butterfly occurred on untreated pastures and meadows, while seven grasshoppers were unsuitable for any species.

At the same time, modern farming had turned certain insect species into serious pests. Though most weed species had been reduced in numbers, some of the most undesirable—especially wild oats and black grass—had increased.

Nature Conservancy Council, Second Report, April 1, 1975, to March 31, 1976, SO. 22.75.

BALANCE OF TRADE

	Exports £m. seasonally adjusted	Imports £m. seasonally adjusted	Exports Volume seasonally adjusted 1970=100	Imports Volume seasonally adjusted 1970=100	Terms of trade Unweighted 1970=100	Oil balance £m.
1975						
1st	4,531	5,383	128.9	125.4	76.9	-766
2nd	4,479	5,160	122.6	122.2	80.2	-689
3rd	4,432	5,621	120.0	127.4	81.8	-795
4th	5,126	5,809	128.3	127.2	80.7	-864
1976						
1st	5,419	5,893	131.6	124.0	81.1	-959
2nd	5,992	7,032	137.1	136.7	79.8	-948
3rd	6,121	7,326	133.1	137.2	80.0	-1,064
April	1,922	2,237	134.8	134.0	80.0	-336
May	2,009	2,333	138.2	139.7	79.5	-320
June	2,061	2,398	138.3	137.1	79.8	-319
July	1,949	2,477	129.9	140.3	79.3	-370
August	2,039	2,337	132.5	131.2	80.5	-321
Sept.	2,133	2,513	136.7	140.1	80.2	-372
October	2,222	2,776	140.1	142.6	79.2	-261
November	2,226	2,736	136.7	142.1	78.4	-409

* The ratio of export prices to import prices.

Oil purchases boost imports

By Peter Riddell, Economics Correspondent

THE SHARP rise in imports last month reflected, in particular, an increase of £146m. in purchases of oil from abroad. This in turn was shown in the large widening in the oil deficit during the month and while this was partly an adjustment from the relatively low October figure, there was also probably some stocking-up of oil ahead of a likely price increase after this week's OPEC meeting.

The detailed figures indicate that the terms of trade—the ratio of export prices to import prices—deteriorated notably for the second month running, in contrast to the firm trend after the fall in sterling earlier this year, and reflected a sharp rise in import prices.

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Highlights from the Chairman's Statement: Mr. R. D. Poore

► Investment income up from £396,360 to £423,634.

► Group consolidated profits up from £329,638 to £488,198.

► Final dividend of 1.699995p per ordinary share recommended (total for year 2.699995p), being the maximum amount allowed under present regulations.

► Hall Russell & Co., principal operating subsidiary of the associated company continues to trade profitably. Its position remains unchanged, as the shipbuilding nationalisation bill has not yet reached the statute book.

► The Company's policy aimed at securing a steadily rising income.

Copies of the Report and Accounts are available on request from The Registrars, 36-37 King Street, London, EC2V 8DR

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	1972	1973	1974	1975	1976
Profits	£282,684	£522,248	£607,453	£723,900	£910,642
Assets per share	14.27p	21.53p	26.12p	30.68p	35.49p
Earnings per share*	1.97p	3.43p	4.18p	5.05p	6.25p

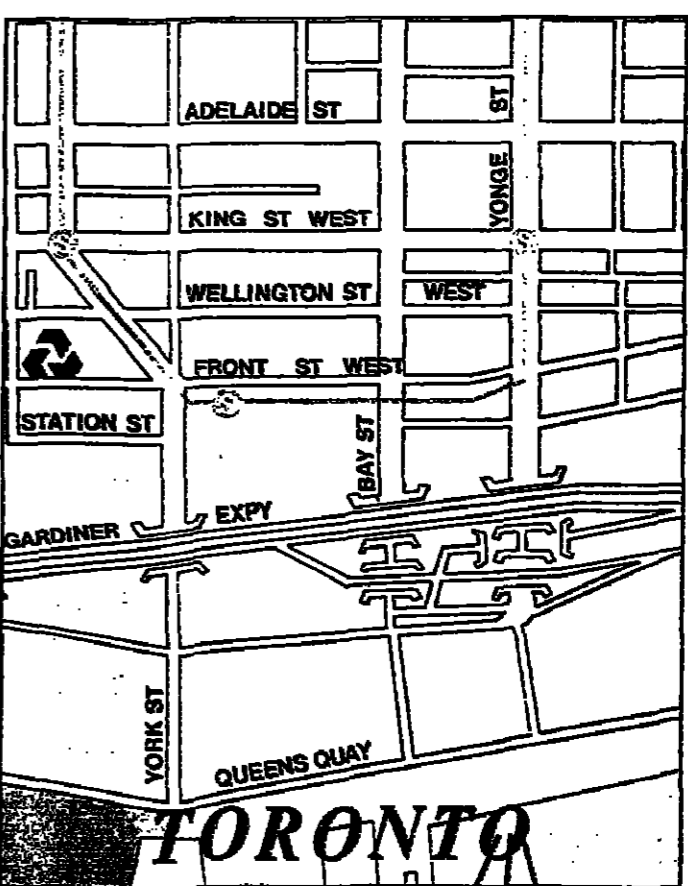
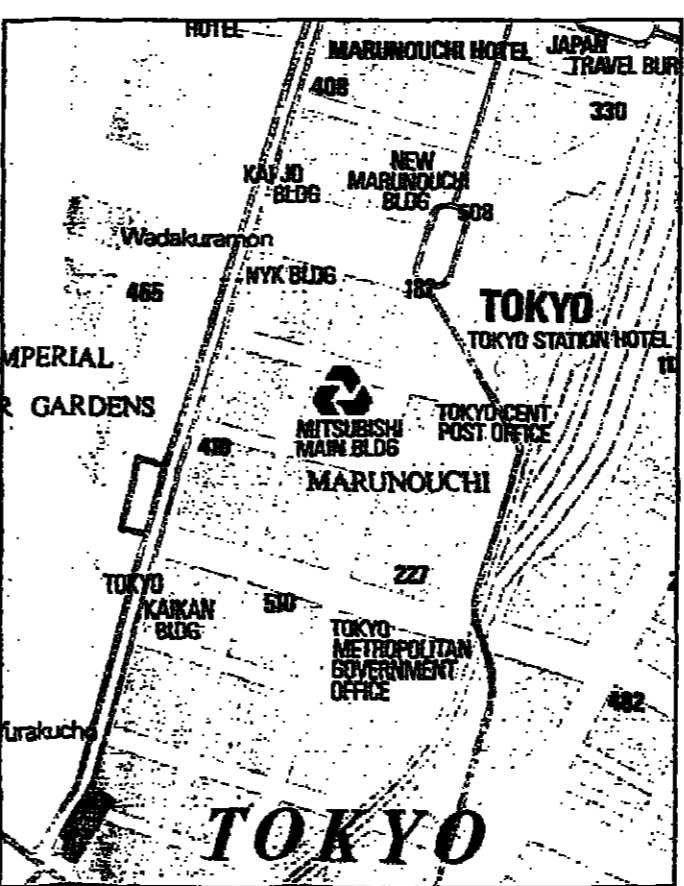
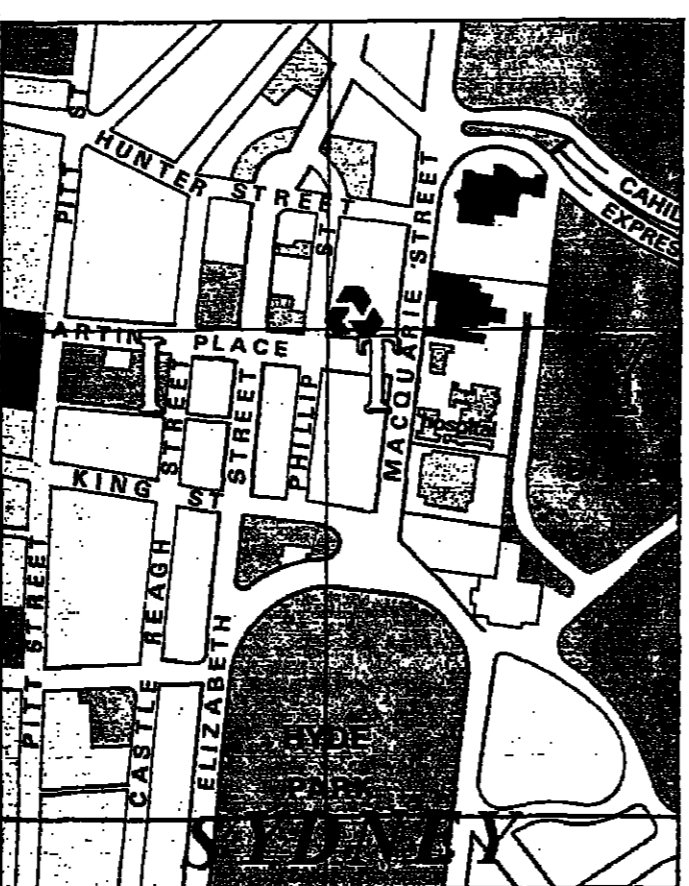
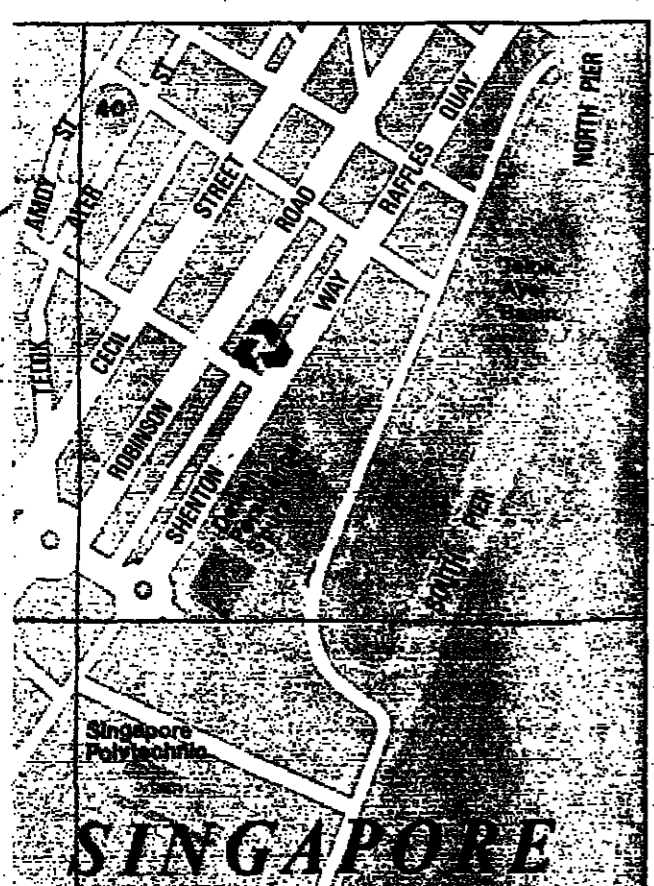
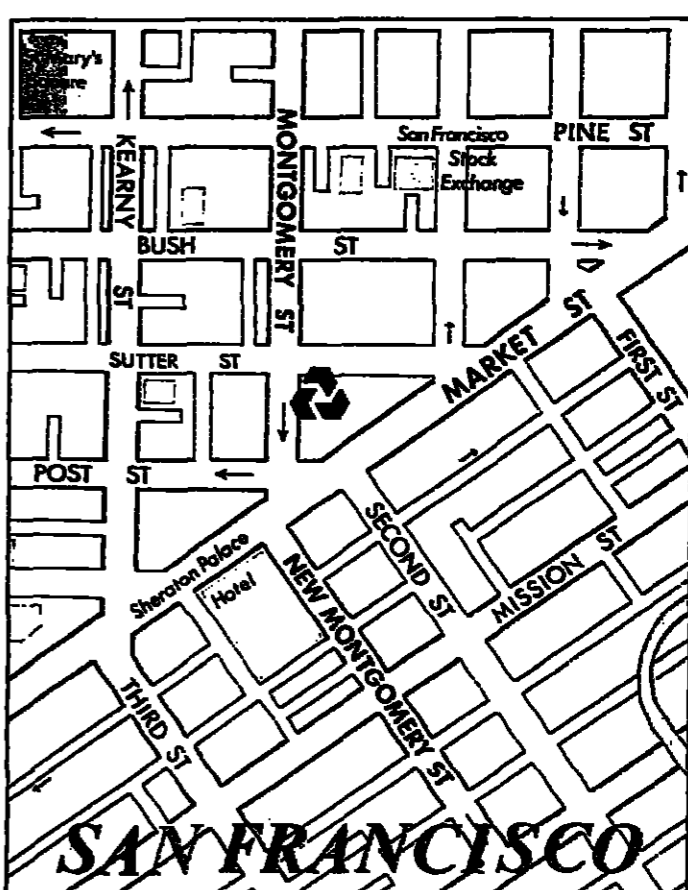
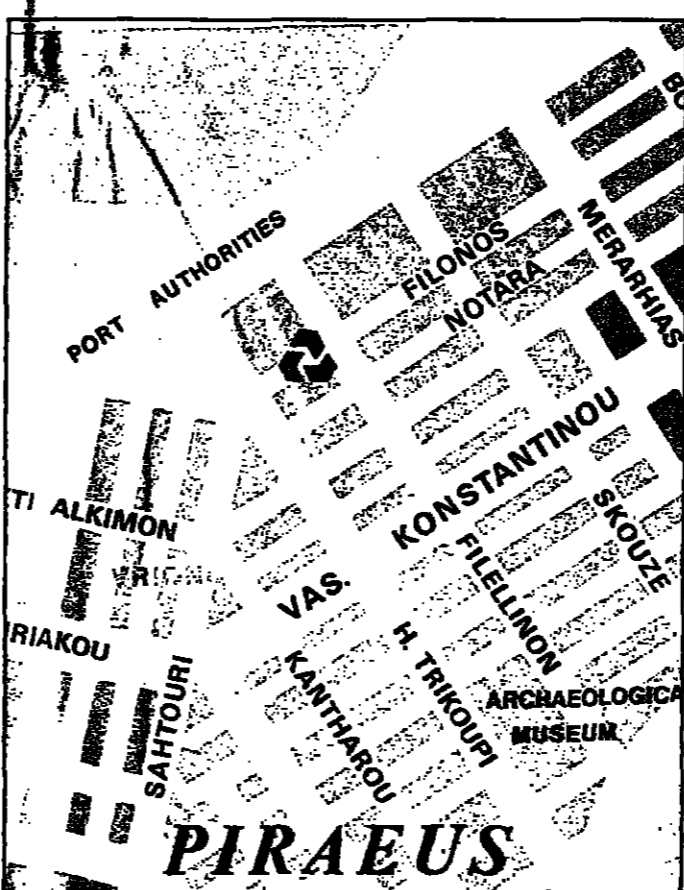
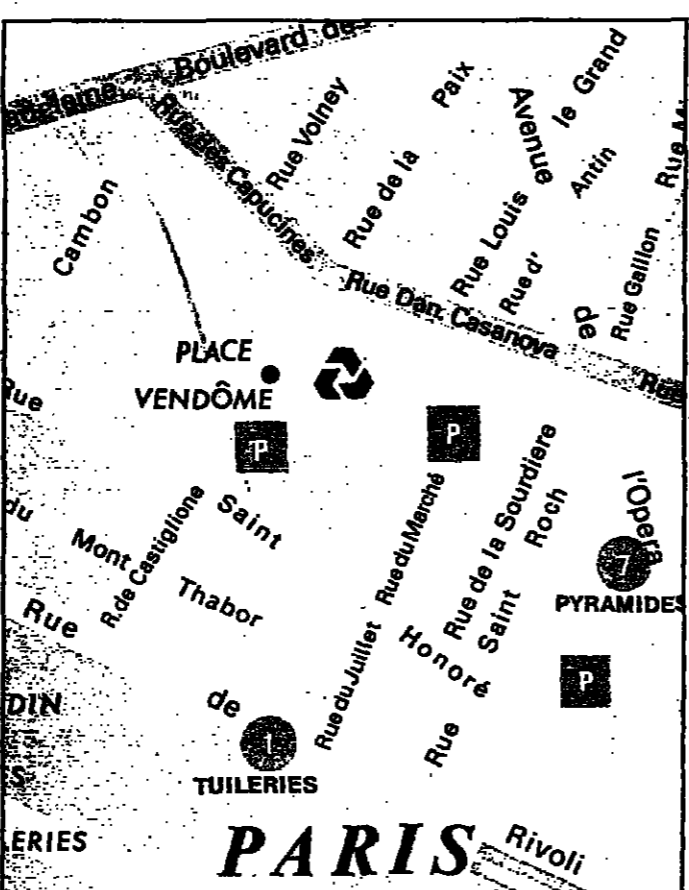
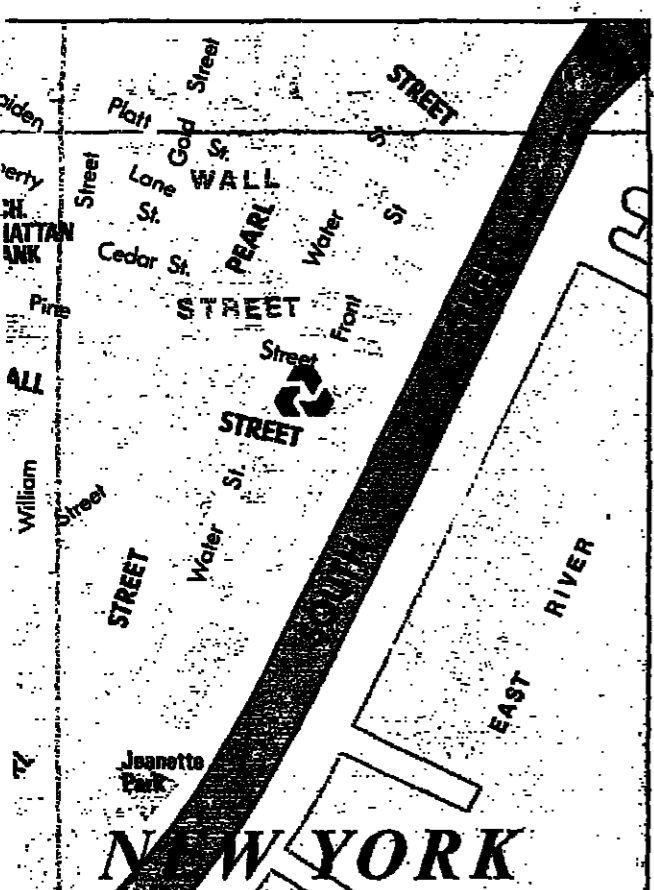
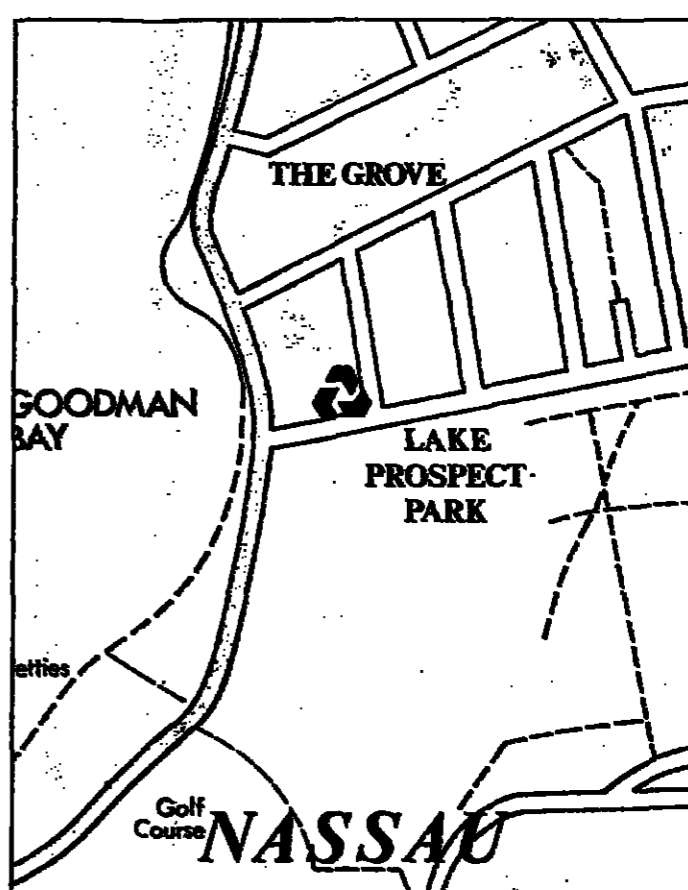
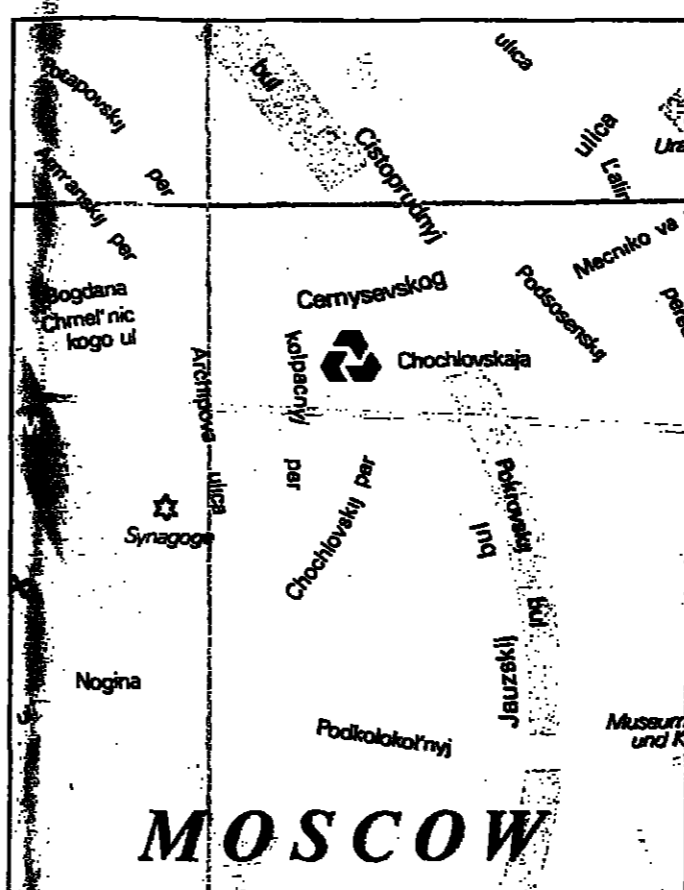
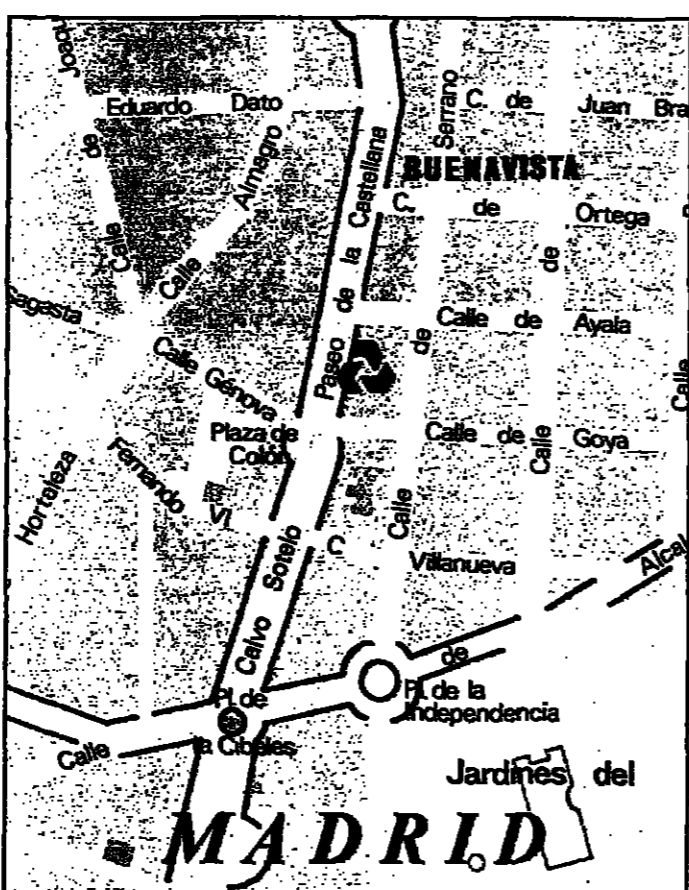
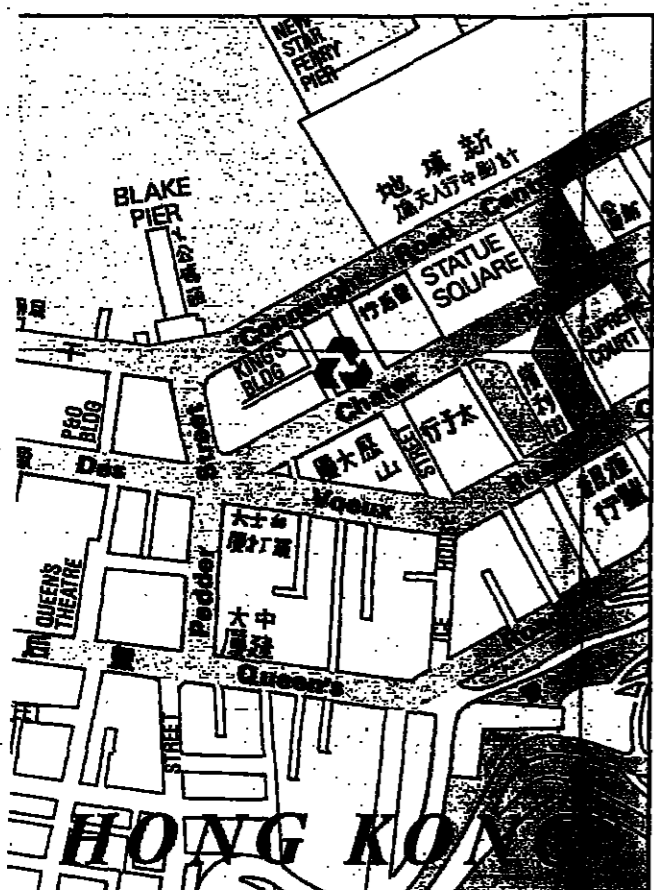
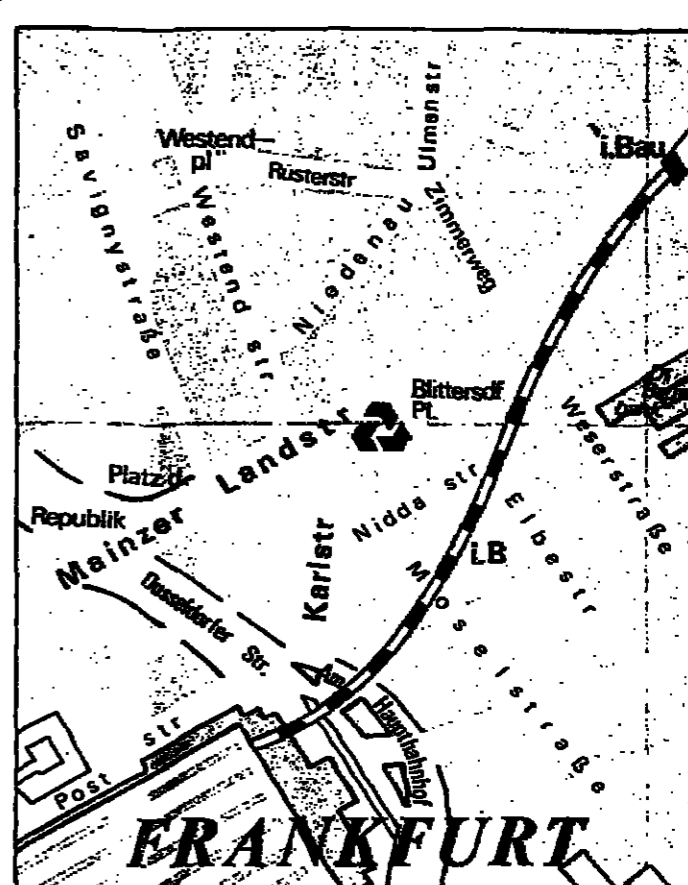
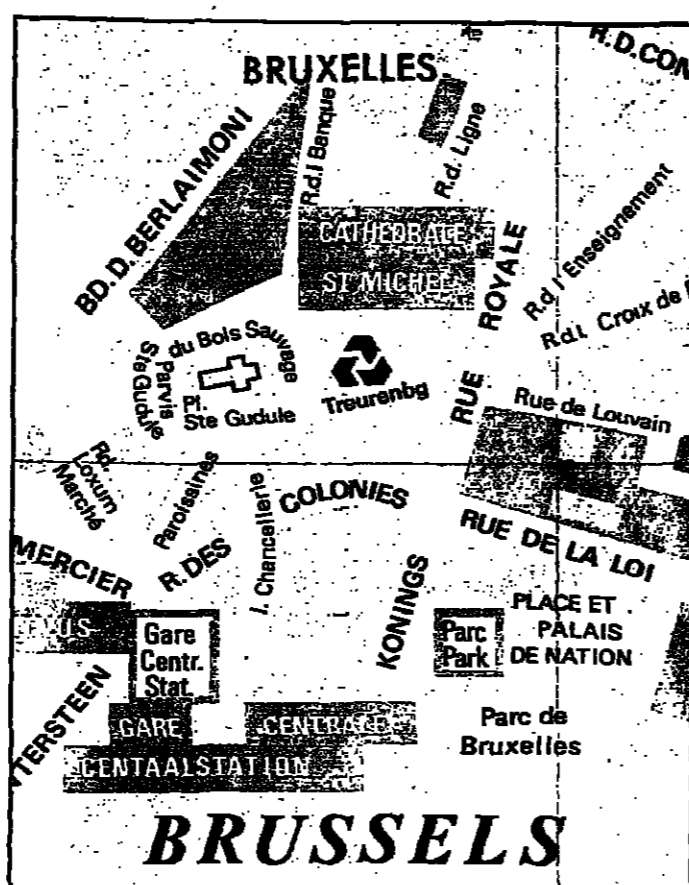
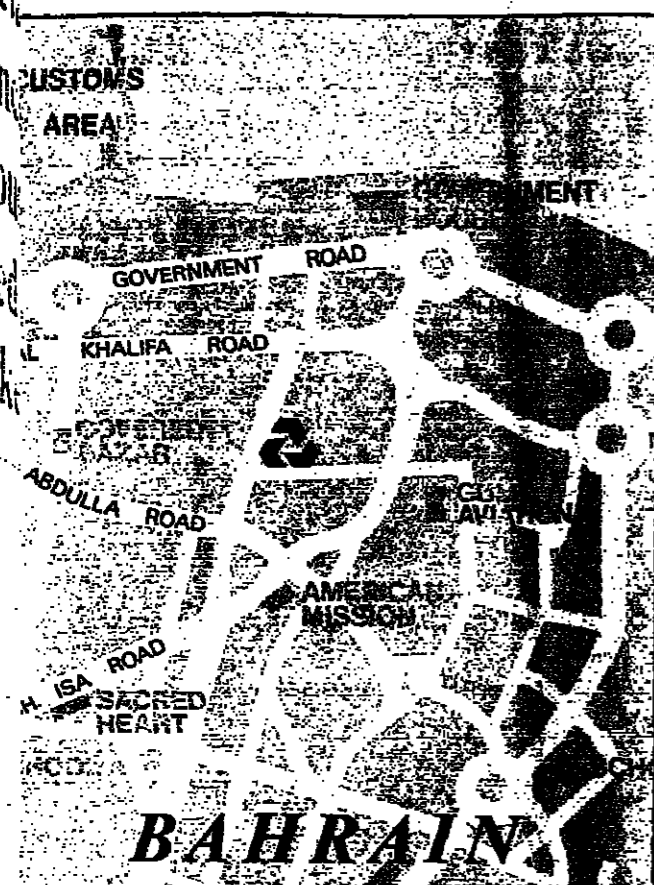
* Adjusted to take account of only dividends and the Rights issue in November 1975.

At the Annual General Meeting of the Company held on Tuesday 14th December 1976, The Chairman Mr. Norman H. Davis, F.C.A., spoke with satisfaction of the Company's past achievements and encouragingly of its future. This year the Company has acquired a 5½ acre site with a factory of some 165,000 square feet. The additional manufacturing capacity

now available will be utilised not only for existing products but more importantly to further our aim to make the Group more self-sufficient by carrying out more manufacturing processes ourselves. This year will see us creating added value through two new divisions which will do work previously subcontracted.

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HOME NEWS

Too big profits bring cut prices

Our Consumer Affairs correspondent

ITAIN'S SMALLER comes cut prices by a total of 15m. last month to wipe out excess profits made under the code. The cuts came after Section of their records by Price Commission's regional offices.

he companies, which included manufacturers and four construction enterprises, are defined "Category Three" companies. This means that they do not have to notify the Commission of price increases, but are expected to keep within the 5 per cent code.

he 22.5m., compared with a 1 of 23.5m. In October, results the total excess profits attributed by the Commission's investigations of the companies' month details of which released yesterday.

he Commission also intended last month in 64 applications for price rises submitted by its largest companies.

total of 12 notifications were set out, including ones in Edenhall Concrete Products, Gertrude Industries and Verhampton and Dudley Weries.

ected

HM Bakeries' application for bread prices was turned down for technical reasons, but applications were rejected, resulting in the 1p loaf which was blocked by Secretary of Prices.

HM was also one of 31 companies to have price increases by the Commission last month. Apart from applying to its bread prices, the company proposed to put up the price of confectionery and morning is by 9.53 per cent, but this cut to 8.81 per cent.

among other companies to price increases modified BP Oil, whose application to ease the price of refined petroleum products by 16.29 per cent, was cut by 14.11 per cent, Conoco and ICI.

further 20 applications were drawn by companies.

they included notifications in Unigate Foods, which intended to raise the price of its 7.07 per cent, the K Marketing Board, and the lever subsidiary Van den Bussche and Jurgens, which submitted an application to raise oil straight fats prices by 17.12 per cent.

Footwear chief expects quick decision on aid

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE FOOTWEAR industry, hit by unemployment and short working, expects a quick decision on whether Government financial support will be forthcoming for a rescue package.

The tripartite body set up by the Government nearly two years ago to find a new strategy for the declining sector, to-day will put the finishing touches to its appeal for State aid.

Proposals for wide-ranging measures, which those introduced under the wool textile scheme, are likely to be put forward, according to Mr. George Marriott, chairman of the footwear study steering group.

Mr. Marriott was confident last night that the Government would give an answer within a month on the level of financial aid it was prepared to extend.

So urgent were the industry's problems that the group had decided to lodge its claim for help under Section 3 of the Industry Act 1972, even before its final report had been concluded.

The Industry Department, a member of the tripartite body

with management and unions, was aware of the way the study was going and its likely recommendations. No commitment of any kind had yet been given by civil servants, Mr. Marriott said.

Not until its meeting on January 12 is the group likely to give final approval to its report. The latest draft will be considered to-day, but debate is likely to be wide-ranging on what prominence should be given to the role of planning agreements and the National Enterprise Board.

Mr. Marriott said that the group was likely to take up many of the ideas put forward in the Government-commissioned study by the economists' advisory group of managing consultants. The consultants' recommendations estimated to cost the Government less than 2.5m. over three years, included proposals for the State to pay half the salaries considered necessary to attract new managers and designers to the industry.

They said that such methods would enable footwear companies to pick up 35 £10,000 a year executives and 20 new top designers.

They also recommended a Government fund of £1m. to be offered as risk capital to encourage new companies to enter the trade. Designer-managers wanting to set up in business would be able to look for up to £50,000 from the Government.

One idea likely to gain backing from the group is for aid to encourage existing manufacturers to form footwear marketing export companies.

The State would take a 50 per cent shareholding, perhaps through the National Enterprise Board, with an upper limit of £50,000.

However, the group is unlikely to make any strong recommendations about the most controversial part of the consultants' report, which said that Sir Charles Clure's British Shoe Corporation retail chain should be broken into six separate companies.

The group is likely to emphasise that this is an issue better dealt with by the Industry Department which could involve powers of investigation through the Prices Commission or the Office of Fair Trading.

Construction equipment sector told of need for mergers

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE NEED for mergers among U.K. construction equipment manufacturers was emphasised last night by Mr. Geoffrey Warren, president of the Federation of Manufacturers of Construction Equipment and Cranes.

We in the construction equipment industry have to get closer together—form larger units to support the type of service and provide the production facilities necessary to maintain let alone increase our share of world markets," he told the Federation at its annual dinner in London.

"Regrettably I am not able to report much progress in this direction. The British character rates independence very highly but amalgamations must come as they have in America."

He believed that at the end of this year it would be found that from a total production of about £550m., exports from the industry would have increased over last year by 30 per cent, to about £460m., making an export achievement of 70 per cent.

"There is no room for complacency, however, as imports too will have increased by a similar percentage—much of it for the very large machines not yet available from U.K. sources.

"Our share of world market has declined and a major effort will be needed to recover the lost ground," he added.

A large part of the U.K. construction equipment industry's success could be attributed to its predominantly American multinational companies.

"Quite rightly they are strongly represented on the National Economic Development Office construction equipment working party. But I think it is well known that the Federation has been critical of the inadequate representation by wholly British companies."

The construction equipment industry needed a reasonable home market for its products. "We have not got one and neither will we have one in 1977..."

Government cuts in road construction and civil engineering

activity had had the most serious effects on contractors' and plant hirers' activities, and they were the best customers.

Further uncertainties had been created by the threat of expansion of direct labour work and the refusal of the National Association of some of the U.K.'s leading civil engineering contractors.

The Federation would "give the maximum support" to the battle against these measures being waged by the Federation of Civil Engineering Contractors, Mr. Warren promised.

Mr. John Methven, director general of the Confederation of British Industry, also referred to the Government's proposals to extend direct labour organisations' activities and described them as "a blatant example of inconsistency in industrial policy."

Direct labour organisations' charging and tendering procedures were widely considered totally inadequate. Until they had been reformed, there was no guarantee that they were not wasteful.

Further rise in frozen food sales predicted next year

BY STUART ALEXANDER

CONTINUING rise in the sales of frozen food next year is a probable standstill, in some terms, in overall food sales forecast yesterday by Lever's Birds Eye subsidiary.

With food price inflation expected to be about 20 per cent over the 1976 average, we expect a standstill in real terms in the U.K.," said Keith Jacobs, the company's rising director.

However, we see no reason why the growth pattern for frozen food should not continue. So we see the total market music and catering—growth by about 5 per cent, in no.

hind this optimism is a trend to the use of frozen food, more particularly in the middle of the week and for men, though whole families now more often dine on frozen instead of full meals.

The company has been concentrating on a steady trading down in the recession, though it is partly due to the trend to live to take jobs, full or part-time.

die housewives have looked

for a low-price high-quantity back room storage. There will also be improved terms for whole sale cold stores.

Although there was a shortage of some vegetable for freezing during a dry summer, Birds Eye does not expect that there will be insufficient stock to meet demand. But there could be some negative price influence on demand.

Peas, sprouts, and frozen chips have all presented a problem after the difficult home crops and processors have had to turn to the U.S. and New Zealand to make up supplies.

Incentives

Looking further ahead, Birds Eye expects half the homes in the U.K. to have a freezer by 1980 and two-thirds of all frozen food to be sold to that market.

The company has been considering a concentrated sales campaign to the retail trade in recent weeks, explaining market trends, introducing new trading incentives, and encouraging retailers to expand store displays through book play cabinets and to introduce play cabinets and to introduce

Net migration loss falls

THE EXTENT to which emigration from England and Wales outnumbered immigrants fell sharply in the 12 months to the end of June compared with a year before, according to provisional estimates issued yesterday by the Office of Population Censuses and Surveys.

In 1974-75, the net effect of civilian migration was a population decline of 44,200, but in 1975-76 the net loss was only 15,800, the statistics show.

The number of births in England and Wales fell to 584,300 against 625,000 the previous year, and the number of deaths was up to 599,300, compared with 589,200.

Thus the combined effect of the births and deaths was a natural population decline of 0.09 per cent, compared with 0.27 per cent in 1974-75.

Hosiery profits decline

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE AVERAGE return on capital employed by 60 leading companies in the hosiery and knitwear industry shrank from 14 per cent in 1974-75 to only 0.2 per cent in 1975-76, the latest Business Ratios report on the sector shows.

The report, which covers the period when the industry was suffering the worst effects of the recession, notes that total profits fell from £24m. in

1973-74 to less than £1m. Initially there were only two loss-making companies, but the number had risen to 14 by 1975-76.

The lack of profitability is blamed on the high market penetration of imports, which made it difficult for U.K. producers to pass on higher costs.

Hosiery and Knitwear, ICC Business Ratios, 81, City Road, EC1Y 1BD, E36.

Revenue key devolution issue

JAMES McDONALD

PROPOSED Scottish and Welsh Assemblies' lack of raising powers would be a serious drawback, according to the union debate. Mr. John A. Conservative spokesman, industry, told the Financial Times conference, "The economic outlook—1977," in London today.

There would be strong arguments that the assemblies should have independent powers of raising, he said, in this context the oil companies in the North Sea production exploration feared that they would be in a vulnerable position. He noted the attempt by Scottish local authorities, Planning File, to raise oil rigs.

Stiffen forecast increasing 1976 by the assemblies to 10 per cent capital for Scotland development agencies. It is the responsibility of Secretary of State for Scotland, if necessary, his 12 of 1976.

stability in agriculture, "there is everything here for an incline because of the close relationship imposed through U.K. membership of the EEC. Many suspect that we are in a delicate balance, which is really compounded by our present difficulties with this further complication."

E. F. Limburg, chief economist of the Amsterdam-Rotterdam

Bank, said that economic forecasts would do well not to depend on the cyclical correlations and regularities found in the past.

On the European outlook, he considered the widening gap between the comparatively stable and less stable economies to be the worst problem.

Because of the priority which countries such as Britain, Italy and France would have to give to curbing inflation and to improving their balance of payments, growth would mainly have to be generated by the U.S., West Germany, Japan, the Opec nations and some smaller countries such as Austria and Norway.

Growth areas

These growth areas accounted for 40 per cent of world imports, so there was little reason for gloom. Latest news indicated an upturn in industrial output in West Germany which was expected to continue next year at a rate of 5 to 8 per cent, sustained by business investment, consumption and exports, with the inflation rate at 4.5 per cent.

France, Belgium and the Netherlands would have to move more cautiously and would have faster inflation, he said, than Germany, Britain, and Denmark were dim. In Italy, inflation would continue "temporarily."

For the period to 1980, he forecast growth with interruptions, but still faster than in 1971 to 1975, while inflation rates would average less, apart from cyclical fluctuations.

Mr. Paul Baran, economic advisor to the ITC group and economic consultant to Barclay's Bank, said that the basic problems facing the City next year would be in one way or another to curbing inflation and to controlling the rate of sterling.

The future of the City as a financial centre could not be viewed independently of the future of the City as a whole and the Government.

There would also be the implications of adherence to the IMF guidelines and the complexities of preparing for inflation accounting in 1978.

Mr. Gordon Pepper, a partner in N. Greenwood, forecast that the "corset" on the banks would be abolished next year.

He expected a fall in real economic growth in the first half of the year. "We are right now at the peak of the mini-recovery."

The forces for increasing inflation were highly visible, but there were also unseen forces tending to hold it down. He guessed that the rate of inflation would creep up to about 16 per cent in the first half of next year but would start falling again after April.

any of moves to nationalise banks and insurance companies; the degree to which high direct taxation would accelerate the departure of enterprise from the City; and the process of conforming to new directives from the EEC Commission on banking, insurance and company law regulations.

Other issues were the preservation of a system of self-regulation in preference to a new form of statutory control for the Stock Exchange and the constantly evolving problem of the control of City institutions by the Bank of England and of the relations between the City as a whole and the Government.

FINANCIAL TIMES ECONOMIC OUTLOOK 1977 CONFERENCE

The U.K., he said, was going to enter another recession—one of the worst since the war. In October he had forecast that sterling had hit the bottom and was prepared to back that view now.

Interest rates would be falling and money would be pouring into the stock market. The Bank of England should ration the supply of gilt-edged so that the money supply for equities should not fall. This was necessary if the Government wanted to minimise rising unemployment.

Of the gilt-edged market, he said, a bullish situation over the next six months although in the immediate future he suggested the market was in danger of being overbought.

Other speakers were: Sir Francis Sandham, chairman of the Committee of Invisibles; Exporters; Mr. John Fleming, Fellow of Nuffield College, Oxford; Professor E. Victor Morgan, Professor of Economics, Reading University.

LABOUR NEWS

BSC wants reforms pact with unions by next month

BY ALAN PIKE, LABOUR STAFF

THE BRITISH Steel Corporation hopes by the end of next month to achieve union agreement on a wide-ranging programme of reforms designed to improve industrial relations and increase output.

A series of meetings involving the corporation's most senior executives and union leaders representing workers at all levels in the industry is now in progress.

Sir Charles Villiers, who became chairman of BSC earlier this year, is seeking agreement by January 22—the anniversary date of a compromise agreement on manpower reductions reached last year after exhaustive negotiations between the corporation and unions.

Considerable importance is being attached by both sides to keeping the contents of BSC's latest proposals confidential while the talks continue.

However, they are based on a series of measures by which Sir Charles hopes to reduce "contingent" and the level of disputes in the industry, and involve the workforce more constructively in building for the future.

Union officials are being told that they must give clear backing to measures which will improve productivity of existing plants if large-scale new investment is to be justified.

The January 23 agreement came at the end of an attempt by the corporation to cut labour costs by £170m. a year and reduce the work force by 40,000 over two years.

Although the agreement contained no detailed figures for manpower reductions, BSC executives said that their objectives remained unchanged. But with the two-year period now half over, the corporation has not achieved anything like the demanding it was seeking.

It is also likely that it will seek to replace the present comparatively fragmented negotiating structure with a single set of negotiations through a joint council.

Any attempts to improve industrial relations in BSC are bound to be complicated by continuing trade union fears about job security.

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Strikers at Jaguar return to work

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A flash of sparks when the operator switched on the power. The 60 electricians, staging a sit-in in pursuit of a pay claim, have so far refused management requests to leave the plant. Mr. John Page, chairman of the shop stewards committee, claimed three machines had been electrically sabotaged. But the company maintains the latest incident is the first where it has been established that damage was deliberate.

There was no direct risk to the operator as the terminals had a power of only 24 volts. Had the operator gripped the terminal he would only have got a slight shock.

A company investigation on the day of the incident had failed to produce sufficient evidence to apportion blame.

The electricians' refusal to work has halted production of subframes for Minis, causing 4,200 lay-offs at Leyland's Longbridge and Castle Bromwich factories. Some 700 employees are still idle following an earlier Rubery Owen dispute.

The Amalgamated Union of Engineering Workers executive yesterday decided to set up an investigation following the dismissal of Mr. Bob Knight, convenor at Leyland's Castle Bromwich body plant, after allegations of a welding machine. Wire put across two terminals caused for finding people jobs.

By Arthur Smith, Midlands Correspondent

THE 21 gear-cutters, whose strike action made 4,000 workmates idle at two Jaguar plants in Coventry, have returned to work as a gesture of goodwill. They said their decision was taken to prevent hardship to fellow workers over Christmas.

Feelings within the Coventry factories have run high about the dispute which centres on the refusal of the gear-cutters to work with a colleague, Mr. Terry Chamberlain who is alleged to have set his machine to run too quickly.

Mr. Chamberlain resumed work with the gear-setters at the Radford engine plant yesterday and the laid-off workers will be recalled to-day.

Deadlock in the week-long dispute was broken by Mr. Trevor White, the Radford senior steward, and Mr. John Joynton, district organiser of Transport and General Workers Union, who persuaded the men to go back. Negotiations continue.

But the outlook for Leyland cars remains gloomy with no sign of an end to the troubles at the Darlington factory of Rubery Owen, the components supplier.

The atmosphere within the plant was described by management as "tense" yesterday following the deliberate sabotage of a welding machine. Wire put across two terminals caused for finding people jobs.

Clearing banks closing days

THE LONDON clearing banks will close for business at midday on December 24 and will re-open at 9.30 on December 29. They will also be closed on January 3.

Scottish clearing banks will be closed on December 27 and 28 and for the New Year on January 3 and 4.

Clydeside asks for State stake in Marathon

BY OUR GLASGOW CORRESPONDENT

CLYDESIDE shop stewards and local officials are to meet the Secretary for Scotland, Mr. Bruce Millan, at Westminster to-night to press the Government to take an equity stake in the orderless Marathon yard at Clydebank.

The stewards want Mr. Millan to put the scheme before the Cabinet at its meeting to-morrow when a decision is expected on the company's request for a loan of about £5m. to finance the speculative construction of a dock-rig to prevent the yard from closing early next year.

The scheme was being approved last night by an emergency meeting of the Clyde committee of the Confederation of Shipbuilding and Engineering Unions, called to consider the Marathon crisis.

More than 1,000 men are to be laid off from the yard on Friday until more work can be won.

Union officials are worried that the Clyde's other shipyards, the Scott Lithgow group and Govan Shipbuilders, face making substantial redundancies early next year unless more orders are placed.

There is also the prospect of 1,400 redundancies in April from the Babcock and Wilcox boiler works at Renfrew, even if the dock-rig is prevented from the planned second stage of the Drax from closing early next year.

The scheme was being approved last night by an emergency meeting of the Clyde committee of the Confederation of Shipbuilding and Engineering Unions, called to consider the Marathon crisis.

Back-to-work hopes rise at Isle of Grain site

BY OUR INDUSTRIAL STAFF

HOPES that work will be resumed early in the New Year on building the £300m. oil-fired power station on the Isle of Grain, Kent, have risen after the indefinite adjournment of this week of the industrial tribunal dealing with several cases of alleged unfair dismissal arising from the protracted dispute.

Five former workers for Babcock and Wilcox, one of the main contractors, claimed unfair dismissal last June after a row over provision of safety overalls yesterday that it agreed to seek the adjournment to achieve early settlement of the dispute, which has lasted 26 weeks. It was felt legal proceedings were harmful to the national-level negotiations to be resumed on Friday.

Under the settlement, the whole former Babcock and Wilcox workforce will receive an ex gratia payment in return for withdrawal of the claims for unfair dismissal. The workers numbered 928 when the strike started last June after a row over provision of safety overalls yesterday that it agreed to seek

the adjournment to achieve early settlement of the dispute, which has lasted 26 weeks. It was felt legal proceedings were harmful to the national-level negotiations to be resumed on Friday.

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West Midlands town hall men lobby MPs

BY OUR LABOUR STAFF

LOCAL GOVERNMENT workers in the West Midlands yesterday lobbied MPs at the Commons in protest at reductions in the rate support grant which, they claim, will be increased or reduced services or a combination of both.

The lobby, organised by the Warwickshire branch of the National and Local Government Officers Association, is the first time a local branch of the union has fought their regionalised case at a national level.

It followed Monday's meeting of general secretaries from eight major unions, representing more than 2.5m. workers in the public sector, who decided to continue opposing the cuts by making more effective use of grass-roots protests.

The NALGO members told the rate support grant, announced by Mr. Peter Shore, cut

Environment Secretary, last month, would mean that an extra £5m. would be necessary for Warwickshire to maintain its present level of services. This would have to be met either by a massive 25 per cent increase or by cutting education, transport, and social services in the region.

Already the local authority has told the union that up to 1,000 jobs could be lost because of the cuts.

MPs at yesterday's meeting agreed to put the union's case before Mr. Shore and to seek an early meeting to explain the situation in detail. The local government workers particularly stressed that up to now they had co-operated with the local authority over reducing manning by natural wastage but felt they could go no further to help achieve the "unrealistic" £5m. cut.

TUC plans bigger role for small unions

THE TUC is to call a special conference or congress next April to consider plans for revamping its internal structure to give a greater role to the smaller unions.

The proposals expected to be put before the TUC general council in January will lead almost certainly to a larger general council and reduced influence for leaders of the big general unions in general council elections.

Criticism of the present structure was first voiced at the 1975 TUC Congress which decided to back a call by the Electrical Power Engineers Association for a review. Since then the TUC has invited comments from member unions in which a restructuring has been seen as a necessity for the smaller unions to get their views heard. Poor communication between TUC headquarters and individual unions was another.

A further popular suggestion is that unions of a certain size, say 10,000 or more members, should be guaranteed a seat on the general council.

But possibly the most important suggestion, is that only unions with members in a particular TUC section should be entitled to vote for a general council member to represent that section. At present all unions vote for each of the 38 council seats.

Any change along these lines would greatly reduce the influence of the big unions such as the 1.6m-member Transport and General Workers Union and the 1.4m-strong Amalgamated Union of Engineering Workers over the make-up of the general council.

Depending on the extent to which the suggestions are adopted, it is estimated that the general council could expand by between seven and 38 additional members.

Police to lobby their MPs on pay claim

REPRESENTATIVES of police men and women throughout England and Wales are to meet their MPs at Westminster to-morrow in another attempt to pressure the Government to accept the police pay claim.

The lobby of MPs comes after several unsuccessful rounds of talks with the Home Secretary over the police claim for a £5 increase under the pay policy as well as improvements in fringe benefits for working unsocial hours.

The frustration at making little progress on the claim has led to several motions being put forward for the Police Federation's annual conference in May to consider pressing for the right to take strike action, at present forbidden by law, as well as seeking affiliation to the TUC.

The lobby of MPs, first to be held by the police, will involve three police men or women from each of the 43 different police areas in England and Wales. They will explain to their MPs that because a pay rise in June last year was not implemented until the following September after the £6 pay policy came into force, the police will have to settle this year under the less favourable terms of stage two of the pay policy.

Sheffield steel shows recovery

ALL SHEFFIELD steel companies are reporting stronger business than at any time for more than a year, but scrap merchants are predicting their worst winter since 1971, according to the Sheffield Morning Telegraph quarterly survey of business opinion, published today.

In steel, recent price increases have slowed the rate of orders, but a further pickup is expected after the Christmas holiday.

The forging and construction industries in Sheffield remain gloomy and companies across the whole industrial spectrum report general lack of business confidence and uncertainty over the implications of the IMF deal.

The Management Page

EDITED BY JOHN ELLIOTT

Max Wilkinson outlines how progressive theories have been introduced at GEC.

Schreiber takes on Hotpoint

WHEN Chaim Schreiber, the furniture millionaire, took charge of GEC's ailing domestic appliance business two years ago, his progressive theories of management met strong and almost universal opposition.

His eagerness in advocating profit sharing, consultation with work people, and the abolition of piece rates seemed to many people in the industry to be out of touch.

Mr. Schreiber's confidence was based on the spectacular success of the furniture company he built from nothing after the Second World War to a company with a current annual turnover of £30m.

In the Schreiber furniture factories there is no clocking on, no payment by results, and an insistence that all workers should have the status of 'staff' with flexibility about time off, areas for smoking and a strong emphasis on personal welfare. He believes that older disciplines should be replaced by pride in the company, and an ultimate 10 per cent share in the profits.

Transplanted

In his furniture factories, financial results and little absenteeism show that the theories can work. But it was another matter whether the ideas could be transplanted to a washing machine and refrigerator industry which had chronic labour troubles, wafer thin profit margins and morale eroded by Italian competition.

The merger of Schreiber and GEC's British Domestic Appliance subsidiary (BDA) took place in August 1974 — a marriage which was greatly helped by the friendship between Mr. Schreiber and Sir Arnold Weinstock, chief executive of GEC. As a result of the merger a new company, GEC-Schreiber, was formed with Chaim Schreiber as chairman.

But the new boss's philosophy soon met scepticism and outright opposition from both management and unions. Managers were particularly worried that production would slacken as soon as employees were paid the same flat rate whether they worked hard or not.

At the same time the unions were suspicious. Mr. Gordon Roberts, works convenor of Hotpoint's washing machine factory in Llandudno, explained: "piece-work payments, which he



Chaim Schreiber and Hotpoint's new Stockport service centre.

thinks sap responsibility and encourage poor workmanship.

He believes British white goods outsell the Italian imports only if they achieve a reputation for quality and are backed with efficient servicing. But piece work, he says, encourages people to work at high speed without worrying about quality.

My attitude is based on trust and understanding. I trust the workpeople, because a man or woman who is not basically honest would not spend 40 hours a week within the factory gates. They would be in some other occupation altogether."

However, trust is not easy to generate in a factory with a history of suspicion and doubt. At Hotpoint's plant in Llandudno there was on average one dispute every week, mostly about piece work rates. Even though many were resolved without a stoppage, they con-

tributed to poor industrial relations. In this atmosphere the new works manager, Mr. Jim Mochan, was extremely worried about the Schreiber plans and the consequent effect on output. But Mr. Mochan was also discontented with the old piece work system which had caused so much friction since he joined the company in 1973 — so he decided to give it a try.

For the first two months production continued at its former momentum then, according to Mr. Mochan, it dropped 6 per cent. "Some people eased off their effort as they tried to see how much they could get away with," So Mr. Mochan called together the joint works council and explained that part of the agreement was that everybody would put in a reasonable effort.

The workforce quickly got the message. Full production was

resumed within three or four days and has been maintained ever since, in spite of some mutterings about the lack of profit.

However, management and unions both know that the scheme's future success is finely balanced. With profit margins sliced to between 1 and 8 per cent, the slightest fall in productivity can have disastrous effects.

Schreiber's plan to gain the confidence of his workforce was nearly wrecked earlier this year when he signed a deal with Zanussi to import and market Italian-made washing machines and refrigerators under the Hotpoint brand name.

The unions were furious, particularly because the Zanussi machines were at the time substantially cheaper than those made in the U.K. But Schreiber calculated that if cheap machines were coming into the U.K. anyway, some of them should have the Hotpoint name on them. His gamble paid off.

Retailers tended to push the more expensive machines, so that the Hotpoint factory is now in full production of 6,800 units a week and plans to increase to 10,400 a week next year as the result of a major investment programme.

Confidence has also been increased by the £10.5m. invested by Schreiber and GEC in Hotpoint in the last 18 months, and further plans to pump in £20m. to £25m. over the next four years.

Now, for the first time this year, Hotpoint is beginning to move back into profit, which, in view of the difficult trading conditions, is being seen by the company as a sign of underlying strength.

BUSINESS PROBLEM

BY OUR LEGAL STAFF

A benefit to employees

We have recently been informed by the Revenue that our company's BUPA contributions for the year 1974/75 and 1975/76 are assessable as benefits, though I understood that such contributions only became taxable in this tax year. As the company pays the whole contribution for certain employees, could you advise me as to the tax liability of the employees?

Under section 68 of the Finance Act 1976 (which supersedes section 136 (1) of the Income and Corporation Taxes Act 1975 ab initio), BUPA contributions in respect of employees' directors and higher-paid employees have been reported by the company on the annual forms F11D.

For earlier years, lower-paid employees were not taxed on the benefit of BUPA cover provided at their employer's expense. Higher-paid employees and all directors (regardless of the rate of their remuneration), however,

have been taxable on such benefits for many years, under what became section 136 (1) of the Income and Corporation Taxes Act 1970. Presumably the BUPA contributions have been reported by the company on the annual forms F11D.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



The thorny path to equal pay

BY A. H. HERMANN

THE NUMBER of women taking the thorny path of litigation to achieve equality in employment with men as guaranteed by the Equal Pay Act 1970 and the Sex Discrimination Act 1975 indicates that they have little trust in the male-dominated machinery of industrial bargaining. However, as the Employment Appeals Tribunal stated recently, though litigation can reach a theoretically correct answer in each individual case, it is unlikely to produce a coherent wage structure for general application in other cases.

This seems to be a very reasonable view to take but it can be opposed by the equally reasonable argument that negotiations will be much easier once the courts have clarified the statutory rules and the rather obscure question of their relation to EEC law.

Two recent decisions of the Employment Appeals Tribunal on further appeal to the Court of Appeal illustrate very well the problems with which many industrial tribunals are grappling at present.

The first of these two cases to come before the Employment Appeals Tribunal was an appeal by Electrolux against a decision of the Bedford industrial tribunal that Mrs. A. Hutchinson and six other women assembly line workers were entitled to equal pay with men doing similar work. The Equal Pay Act provides in Section 1 (4) that a woman is to be regarded as employed on "like work" with men if her work and theirs is of broadly similar nature and there are no differences of "practical importance" between them. The industrial tribunal found that all the men and women employed on the Electrolux assembly line were doing broadly similar work, yet all the men were in a higher grade and all the 600 women except one in a lower grade with considerably less pay.

Electrolux argued that the men were under a contractual obligation to be available for additional duties and to do night shifts or work at inconvenient hours. The Employment

Appeals Tribunal confirmed the view taken by the industrial tribunal in Bedford. The contractual obligations were less important than what happened in practice: how often the men had had to do other work and night shifts, or to come in on Sunday. The onus was on the employer to prove that the work actually done by the men justified the conclusion that there were differences of practical importance. Mr. Justice Phillips said that Electrolux failed to do so. The appeal would be dismissed.

Leave was given to appeal to the Court of Appeal and the court indicated that any appeal should be speeded up so as to give guidance to industrial tribunals which were confronted by an enormous number of outstanding claims.

Mr. Justice Phillips had more to say on this subject. There were 122 cases pending at Bedford and a further 105 cases where a claim had been made to Electrolux. The circumstances of the applicants were not the same. He felt that a better result could be achieved by negotiations involving current views and statutory provisions, and possibly with the help of the Equal Opportunities Commission. He said that production of a coherent wage structure lay beyond the Appeals Tribunal's competence and jurisdiction and could only be achieved by negotiation.

While the first case drew attention to where the dividing line should be drawn between litigation and negotiation the other case brought into focus the equally uncertain dividing line between U.K. law and EEC law on equal pay.

The second case concerned a complaint by Mrs. Carol Ann Amies, deputy head of the art department at the Christopher Wren boys' secondary school in London that she was passed over for the job of department head because she was a woman. The appointment of a male teacher to this job took place before December 29, 1975, the date on which the relevant part of the Sex Discrimination Act 1975 came into force and the first question to be decided by the court was therefore whether the appointment was a continu-

ing act against which U.K. law provided a remedy.

The Appeals Tribunal decided that though the effects of an appointment were continuing, the appointment itself was not a "continuing act" and that the not be granted under the Sex Discrimination Act. This obliged the tribunal to consider in some detail her claim that she had been wronged under EEC law which was directly enforceable in the U.K.

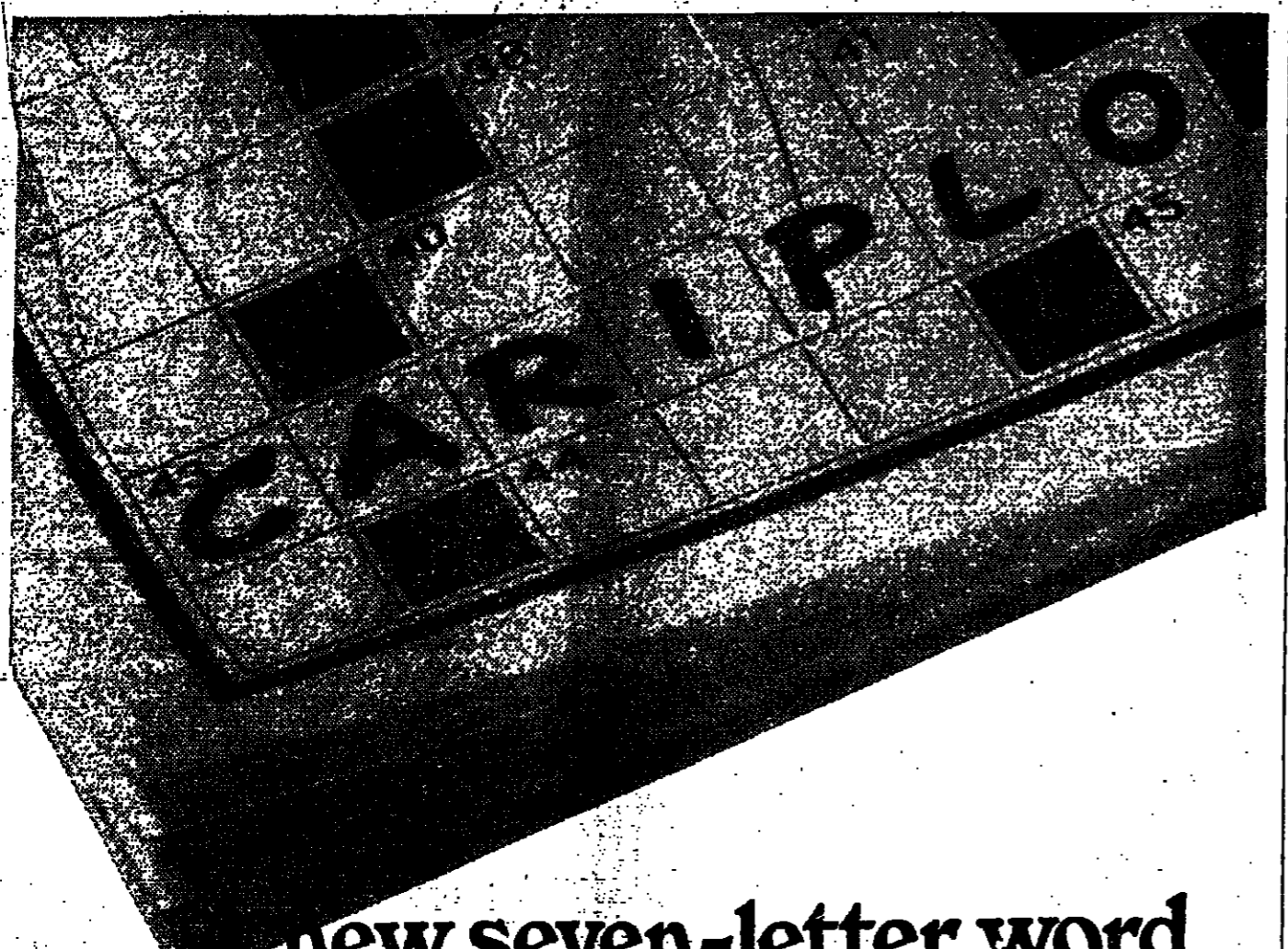
The Appeals Tribunal dismissed Mrs. Amies' appeal from a London industrial tribunal and held that EEC law did not provide her with a directly enforceable right not to be discriminated against because of her sex.

There is a council directive No. 75/117 which may or may not have some bearing on this matter. The question whether directives can or cannot be directly applicable may be quite clear to the Court of Appeal, but should it be doubtful it would have to refer the matter to Luxembourg.

Another argument with which the Appeals Tribunal dealt arose from the famous case of the Sabena air hostess, Miss Defrenne, which threatened to cause an upheaval in European industry should it be required to make up pay to women right back to 1962.

In a much criticised judgment the European Court proved that you can have a cake without being allowed to eat it. It ruled that the principle of equal pay as laid down by Article 119 of the EEC Treaty was directly applicable in the U.K. since January 1, 1973 (and since 1962 in the Six), but that only cases pending in courts on April 8, 1976, could benefit from this ruling. Mrs. Amies brought her legal proceedings on January 1, 1976, but her application concerned discrimination in appointment—not equal pay for equal work with which the European Court only dealt in its judgment.

Electrolux v. Hutchinson and others Times Law Reports Nov. 12 1976. Amies v. Christopher Wren Education Authority, Times Law Reports, Dec. 2 1976. Defrenne v. Sabena, European Court Case No. 43/75, F.T. Law Letter, April 1976.



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The one really significant shift that has taken place since the Geneva talks opened has been in the relative roles being assumed by the U.S. and Britain. Dr. Henry Kissinger played a crucial part in precipitating the holding of the negotiations, but while the U.S. representative could only be ungrateful. But if it is accepted that the only contribution Britain can make is that of a moral arbitrator, it should also be accepted that his contribution can prove effective only if both black and white in Rhodesia genuinely want a peaceful settlement.

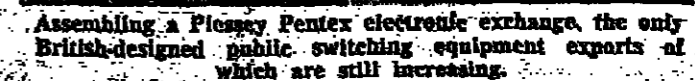
GEC Transportation Projects was set up in 1972 to chase just such contracts. The work took **Codd to Hong Kong** for the colony's new mass transit

ITT), Japan (several companies), and Belgium/Luxembourg, (mainly ITT). Last year, only 14 per cent. of its total output was exported, with public switching the least successful in relative terms (8.5 per cent. of output), compared with a healthy 34 per cent. of

obvious burden, as is the hiatus caused by the P.O.'s sudden and repeated cutting of equipment orders. But it is clear that Sir Raymond's chief concern goes right to the heart of the industry's structure. "It seems clear that the fact System X is being developed collaboratively

The third main theme concerns the competition and lack of co-operation between the publicly-owned telecommunications consultancies—Cable and Wireless, International Aeradio, and Millbank Technical Ser-

efforts. The implication is that competition at home should be abandoned. This is a less outrageous suggestion than it appears when one recalls that there was no U.K. telecommuni-



The third main theme concerns the competition and lack of co-operation between the publicly-owned telecommunications consultancies—Cable and Wireless, International Aeradio and Milbank Technical Services—

the fact that two other important figures on the commercial side, the minister of foreign trade and the minister of foreign affairs, were respectively Jerry Olszewski and Stefan Olszewski. Fortunately, Olszewski (foreign affairs) has been promoted to a weird sign in a Tokyo hotel reminded a reader of the instruction which he saw recently in a hotel in Istanbul: "It is forbidden to do dirtings on the floor or to make rumours in the room."

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100-443887-1

SOCIETY TO-DAY

BY JOE ROGALY

This afternoon's vital test for Mr. Healey

HERE IS only one sure way of judging the measures that Chancellor is preparing to announce this afternoon. It is the net result of the measures, the measures will be worth while. If the number of jobs in the public sector remains the same, the measures will be of no real use. If the numbers are likely to increase as a result of what Healey proposes, he will have done even more damage to our economy than he has done so far.

It is even possible to place a quantity on this method of judgment. Take the number of 1 servants, local government employees and the like at 2.5m; that case every 25,000 jobs cut away this afternoon could be seen as a 1 per cent. improvement. Try it another way: time, partly for arithmetical vengeance and partly because it is not too unrealistic an assumption, that each one of the 25,000 represents £10,000 in payers' or taxpayers' money at each year—counting wage salary, the provision of office or tools for the craft, sewing board, for example, the use of telephone and tape, and work created for employees. On this basis 25,000 posts cut would amount to £250m. saved. Multiply that by four—that is, cut the public service payroll by a mere 4 per cent—and you have the 100m. in real cuts that is so often spoken of.

How much for the unreal world of high hopes. In the real world Government must start with today's meeting of leaders of the unions representing more than 2.5m. public sector employees.

The National Union of Public Employees was there, with the National and Local Government Officers' Association and the Civil and Public Services Association. You could tell such people that a cut of a mere 4 per cent. in the number of jobs available to their members could be achieved by simply putting a stop to further recruitment for a year or at the most 18 months, thus achieving the desired end without sacking a single person at present in work—but the answer is predictable.

The line is "no cuts," as shown by last month's rally, organised by these very unions. To be fair, they have already accepted some fall in recruitment this year, but their future programme includes what is an astounding misuse of the English language called "industrial action." They propose national and local campaigns against reductions in what they call the "social wage"—that is, the wages paid to them out of the taxes paid by their fellow-workers. Their patently mistaken assumption is that they are somehow essential to our society.

Union support

I will return to the fallacy in this last assumption in a moment, but first consider whether the Government can fairly claim, if it does not cut public sector employment, that it has no power to do so because of the "social contract" or because there would be too much disruption of essential public services if NUPE, NALGO and co. were unduly provoked.

The hard truth about the "social contract" is that its con-

tinuing existence—assuming that to be desirable—depends primarily on the support of the big industrial unions. The leaders of these unions—Messrs. Jones, Scanlon and the rest—know perfectly well that their members would, if asked, prefer to pay lower taxes rather



Public employees marching in protest against the Government's expenditure cuts.

than finance the continued employment of their brothers and sisters in the town halls and in central Government. The question may not be put that way, but the feeling is there.

Similarly, any strike by, say, officials of the Home Office or better, local government clerks, would in the present mood be greeted with derision by the ratepayers and taxpayers who employ them: a Government that stood out against such a strike would have widespread public support. In short, the public sector unions can make a nuisance of themselves, but they do not have real power.

They are driven, therefore, to the argument that we would be lost without the services of their

members. It is at this point that their central proposition must be met head-on. There is an air of hypocrisy about the claims made by people from these unions that their first interest is the well-being of the poor, the sick, and the needy—for what has actually happened



Public employees marching in protest against the Government's expenditure cuts.

is that as expenditure on central and local government services for the less well-off has increased, a large proportion of it has found its way into the pockets of well-paid administrators, supervisors, chief executives, assistants, research assistants, principals, deputies, secretaries, under-secretaries, chief officers, deputy chief officers, and that whole vast army of modern locusts that has settled so destructively on the British economy.

There is no intellectually rigorous way of telling how many of them do useful work—in the form of providing services directly to those who need them—and how many do not, but there is plenty of evidence that

suggests that the useless are a shockingly large fraction of the whole.

For example, last year many people pointed out the vast increase in the number of local government workers: the best arithmetic suggested a rise of some 800,000 between 1963 and



Public employees marching in protest against the Government's expenditure cuts.

1972, taking whole-time equivalents of part-timers. It might have been thought that since this scandalous state of affairs became generally known, the authorities would have cut back. The sad reality is that between March, 1975, and June of this year, our town halls took on something like 40,000 more employees (again, taking whole-time equivalents of part-timers). The figures for the March-June quarter do suggest a fall in the rate of increase, but we need a genuine and substantial decline in the total numbers every year for the next ten years if the damage is to be put right.

The unions naturally claim that the extra numbers repre-

sent extra work. They should tell that to would-be clients of personal social service departments, who see directors and administrators piled ten high in the offices but an apparent shortage of case-workers in hard-pressed districts. The National Union of Teachers, whose numbers are being reduced, should consider the harm inflicted upon its own members' interests by the expansion of the national corps of dinner-ladies over the past 15 years: the work is the same, but now that teachers decline to sully their hands, the money available to spend on them is relatively less.

The Civil Service itself is so adept at camouflaging its own growth that outsiders are obliged to rely more upon anecdotal evidence than they should. For the Civil Service Department's method of presenting statistics about itself is so disingenuous that were it not plain to everyone that they are all deeply honourable men one might suspect their motives.

One device is to stop counting people "hived off" to the Manpower Services Commission or the Property Services Agency as civil servants; another is to load its main table of manpower trends with 34 footnotes—yes, and a third method is for the very top civil servants to nag and nag again until any Minister or Cabinet proposing cuts is too punch-drunk to persist.

And what is the anecdotal evidence? Anyone with a number of friends and acquaintances in Government service will hear of the extraordinary divide between the important few who work themselves to a frazzle, nights and week-ends

included, and the disparate many, among whom an unknown number sit and wait as the files pile into their baskets with the lazy rhythm of fish rising on a hot summer's day. I know this to be true of the Treasury, and the Home Office, and the Department of Health and Social Services; many readers will know the rest for themselves.

Correlation

Or take the Health Service. It was the increase in the number of administrators relative to doctors and nurses that so intrigued the then Mr. Harold Wilson last year; on Friday one, Dr. Max Gammon, of the "St. Michael's Organisation" (which seems to me to be an anti-NHS medical group) will publish a report in which he sets out a "Theory of Bureaucratic Displacement." Some of the figures behind this theory have already been published by Dr. Gammon; they suggest an intriguing correlation between the increase in hospital staff and the decrease in the number of hospital beds occupied daily.

A stout defender of the NHS, such as the former Minister of Health, Dr. David Owen, would reasonably enough respond to such figures with indicators of increased output by the NHS such as services to the growing elderly population, the better expectation of life, the use of new medical techniques, and the increase in the number of particular treatments given. Yet between 1949 and 1974—before the recent reorganisation—"staff in regional headquarters rose about five times from 1,300 to 7,700 whole-time equivalents," Dr. Owen notes in his

recent book, *In Sickness and in Health*. It is not particularly reassuring that he goes on to say that "Only about 60 per cent. of such staff were strictly administrative and clerical, the rest being doctors, architects, and so on."

For here, as where the numbers are much larger (in the hospital administrative service, for example) the nub of the problem seems to be that people who should be curing patients are filling in forms or managing offices. Dr. Gammon (whose idiosyncratic approach to presentation of his work needs to be discounted), suggests that the correlation between the growth in administrative and clerical staff and the decline in number of beds occupied daily "is indicative of a change affecting hospital personnel in general in which bureaucratic activity and the bureaucratic mode of operation is displacing directly productive activity."

He can say that again, and about more than the NHS. There is no way of telling how many of the 2.5m. public servants I have used as a base for this comment (that excludes teachers and the health service) are in fact serving their own bureaucracies, but since the quality of the service provided to the public does not seem to have improved as the numbers in post have risen the conclusion must be that it is a very high proportion indeed. Reducing posts may hurt NUPE, NALGO and the CPSA, but it need not hurt anyone else at all. We must wait until this afternoon to see whether the Cabinet has had the strength of purpose to insist on a real cut in the public payroll.

Letters to the Editor

Decline and fall

Mr. A. R. W. Ashfield.

Sir—Mr. Anthony Harris's observations on how Mr. Healey will redeem himself (December 14) are quite dumbofied. Your noble reader as indeed did his scripition of thrifty hardworking house owners, who have paid their mortgages, as the spoils of the system (capitalist).

Are we not already grossly extorted enough without it being necessary for Mr. Harris to conjure up visions of additional forms of taxation, irrespective of whether they were an incentive to cancel out other taxes?

It seems that financial writers, well as governments, would well to read, learn and digest Edward Gibbon thus discover how an empire crumbles when its exchange prudent ardship for profligacy. Eng's plight today springs from many taxes—not too few. Too much overexpanding, and not enough thrift. The will to work largely deserted us because State avarice and it will not recaptured until a man is wed to reap the just award of eudemonia.

Mr. Harris kindly tell us 'to cut down to the tune of a. annually (for a start) and taxes could be dispensed or at least eased, at the same time. It is the only way.

R. W. Ashfield, Ashfield House, Petersham Road, Windsor Upon Thames.

Darlings of his system

Mr. W. Gale.

Sir—No Anthony Harris re-ly his wife and me as "spoils of the system" holders—we have worked hard and strictly all our lives in order to pay off the mortgage on our home.

Well, Mr. Harris, in return I and you as just another of the growing board of non-paying consumers, whose contribution to the economy is England's troubles seems to seek further ways to justify him those who are capable hard work and thrift—people who would be willing to continue to the real wealth of the nation well into old age if it were not for the knowledge that Anthony Harris's of this id were not sitting on the of the not ready to snatch every morsel of real wealth wing but not admitting that only actually can live on the son of journalists' politics.

Gale, Wotton Park, Grinstead, Sussex.

Resurrecting Schedule A

Mr. K. N. Peters.

Sir—Anthony Harris is back in on his bobby-horse of resurrecting Schedule "A" tax. Its old forms it was a tax the less well off who had to their own repairs and decorations. Their only deduction was cost of materials whereas better off were able to partly wholly eliminate any liability schedule "A" by offsetting the cost of materials and their own. I recall correctly the schedule "A" tax did not prove a great amount for the hequer and its abolition was of the few imaginative vrs by past governments

to reduce bureaucracy in this country.

K. N. Peters, Woodside, Bears Den, Kingswood, Surrey.

Philosophy of defeat

From Mr. W. T. Robinson.

Sir—Do we gather that like our successive post-war Governments, Mr. Anthony Harris also considers that thrift should be penalised? A tax on the benefits of ownership would raise revenue from those who are really the spoiled darlings of the system—owner occupiers who have already paid off their mortgages.

W. T. Robinson, 52 Oakwood Avenue, Purley, Surrey.

The root of the problem

From the Managing Director, Frain Securities.

Sir—The Chancellor has recently intimated that negotiations towards solving the problems of the sterling balances are at an advanced stage. Agreement "in principle" has been reached between the U.K. and a number of other industrial countries. Indeed, it is suggested that, if a "safety-net" can be provided by these countries, then the constant threat of withdrawal of balances will be removed and sterling will be stabilised, its position then being solely dependent upon Britain's economic performance. One is tempted to question the logic of this argument.

The recent weakness of the pound and the running down of sterling balances by foreign holders—have, surely, been occasioned by unfavourable overseas opinion about our economy, which is unlikely to change until Government policy is directed towards greater productivity and less public extravagance. Rarely, if ever, do depositors withdraw funds from a sound financial institution, especially when it offers attractive rates of interest.

The question of the sterling balances is a diversion from the real problems facing the country. If evidence of the action necessary to correct the economic imbalance were forthcoming, then sterling's rating in the foreign exchanges would look after itself. Even if the "safety-net" is successfully mobilised it is unlikely that the participating countries will ignore Britain's economic performance in the future and demand that they fund indefinitely. The thinking which has prompted the Government's pre-occupation with the sterling balances is similar to that which moved the Chancellor to remark quite recently that the fall in the sterling was not connected with the "real economy."

G. I. Levine, 9, Clouston Drive, Newton Mearns, Glasgow.

Closed shops

From Mr. S. Alexander.

Sir—Mr. Gore-Brown in his letter (December 8) says that because the Companies Act permits a company which owns 90 per cent. of the shares to compulsorily purchase the remainder of the shares, it is in the case of house expenditure on different forms of tenure is given in the document on housing improvement published last week by the National Home Improvement Council. With help from the Department of Employment they have analysed the Family Expenditure Survey data on house expenditure over the last five years. A detailed breakdown for such expenditure has been set out by them firstly as an average for all income groups for each tenure and secondly for a local authority tenant and a house owner with a mortgage, both having in the survey year a gross income in 1974 of £50-£99 per week. The conclusion reached is that in the case of the £50-£99 gross income group should apply to closed shops. He concludes by expressing the opinion that the legitimacy of authority tenant spent 11.7 per

any demand for a closed shop disappears if less than 80 per cent. of the employees are union members. May I suggest that Mr. Gore-Brown is wrong on both counts. I believe that in both cases the element of compulsion is wrong.

Many years ago a number of mergers took place. In two of them 11 and 17 shareholders refused to accept the offers made to them. The companies concerned were thus compelled to send typewritten accounts to the dissenting shareholders. In both cases the accounts were subject to some questioning—in one case unjustified. Nevertheless, some companies found this situation inconvenient and they joined with others in pressing for the 90 per cent. clause. Since then there have been mergers which have gone wrong and where the continued existence of minority shareholders could have resulted in exposures which might have saved disaster.

However inconvenient it may be to those who seek control over others, I believe that whether it is a closed shop or a company it is completely unjust that men should be compelled by a majority to surrender their liberty to do what they wish with what is rightly their own. It is often argued that in the case of trade unions it is unfair that those who do not belong should have the advantages believed to be achieved by those in a majority. Those advantages are not, however, received at the expense of those who put on the pressure for higher wages but at the expense of the companies concerned, and they, too, are entitled to do what they wish with what is rightly their own. It is often argued that in the case of trade unions it is unfair that those who do not belong should have the advantages believed to be achieved by those in a majority. 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COMPANY NEWS + COMMENT

Dobson Park improves to over £9m.

PROGRESS continued at Dobson Park Industries with pre-tax profit advancing from £3.03m. to £3.06m. on sales up from £70.55m. to £80.72m. for the 52 weeks to October 2, 1976.

The interim statement forecast that profits for the year would be higher than those for the previous year. During the second half total profits were slightly more than those for the first six months of £3.06m. (£3.07m. This was mainly due to favourable exports of Kango hammers and Pettie mini-writers which offset some reduction of the U.K. mining machinery business.

The cash position improved by £3m. despite the effects of inflation on working capital and capital expenditure of more than £2.8m.

The directors say the present economic conditions, coupled with the uncertain effects of public expenditure cuts, rule out any forecast of profits for this year, but longer term prospects remain excellent.

The final dividend is lifted to 1.15p net (1.10p) per 10 share making the total for the year a maximum permitted 1.90p (1.73p). Stated earnings per share improved to 7p (6.6p).

The meeting will be at Manchester on March 1.

1976	1975
Sales	70,550,000
Mining machinery	40,000,000
Engineering	15,250,000
Kango	12,500,000
Industrial products	1,350,000
Property	250,000
Associates overseas	700,000
Inter-dividend sales	8,910,000
Net sales	56,740,000
Profit	3,060,000
Mining machinery	3,000,000
Engineering	1,200,000
Kango	1,200,000
Industrial products	1,200,000
Property	250,000
Associates overseas	700,000
Inter-dividend sales	8,910,000
Net profit	4,170,000
Interim dividend	470,000
Final dividend	700,000
Retained	3,000,000

* Payable. † Includes Australian subsidiaries sales £1.1m. (£1.1m.), profit of which included in trading profit of associated overseas companies.

comment

Dobson Park has come to the end of its current growth phase. Profits have stuck at around the same level for each of the past three six-month periods. In the second half of last year, both turnover and profits were stable. But this had a mixed trend for the year as profits increased in all but the biggest division, with mining showing a fall of nearly a fifth as the NCB reduced investment at the coal face. Orders here are still continuing lower as NCB coal stocks remain high. The engineering side—whose profits are above the first half but still below the level of a year ago—is suffering from the flat trend in heavy forgings, offset to some extent by better exports of automatic weighing systems. So it was left to Kango and the industrial side to keep profits level. The group is now looking for acquisitions outside of the coal industry and overseas for future growth. Until then the shares at 57p are adequately rated on a p/e of 5.2 and yield of 5.3 per cent.

A. Lee upsurge in second half

AFTER a loss of £300,000 against profits of £358,000 in the first half, Arthur Lee and Sons finished the year to September 30, 1976, with pre-tax profits up from £1.33m. to £1.99m. Turnover improved from £24.24m. to £47m.

Earnings per 12½p share are 2.42p (1.85p) and a net final dividend of 1p lifts the total from 1.15p to 1.35p.

The directors say demand for the group's steel strip products is currently running at a satisfactory level and sales of the majority of other products are continuing at the improved

HIGHLIGHTS

Guinness has performed substantially better than expected thanks to major growth overseas and something extra in the U.K. and Eire. In line with the other timber companies profits at Montague Meyer are sharply higher with reduced losses in the associates plus a big boost from stock profits while profits at Stenhouse (completing the Lex column) are also significantly higher despite a rather static year on the industrial side. For the third successive half-year period Dobson Park has shown nil growth with the major mining division holding back the other buoyant sectors in the group. Larger stocks of domestic fuels ahead of sharp price increases proved a major boost for Cawoods while a drive into the overseas markets has been the strength at Record Ridgway. Arthur Lee finished the year on a strong note and at FMC there is a substantial recovery helped by some streamlining of the workforce.

levels achieved at the end of the financial year. The group also manufactures steel bars, wire and wire rope.

1976	1975
Turnover	46,897,000
Depreciation	380,442
Additional depreciation	251,374
Investment income	30,307
Share losses assoc.	22,353
Pre-tax profit	1,998,776
Tax	1,237,603
Minorities	127,493
Attributable	633,680

comment

Adding back the £500,000 stock profits excluded from the first half results, 90 per cent. of Arthur Lee's 1976/77 pre-tax profits were made in the second half leaving the year as a whole up 44 per cent. This was despite a remarkably heavier loss at the Belgian steel stockholding subsidiary (£230,000 against £5,000). Losses are likely to continue there this year though at a lower level. Apart from stock profits, the picture elsewhere was a gentle climb out of recession. Thin strip, the most depressed at the beginning of the year, is showing prospects of increased output, but bright steel bars and steel wire seem to have reached a plateau. With heavier debtors the overdraft is substantially up on last year's £21m. but the cash position still looks comfortable enough for Lee to chase another acquisition to replace Tonksley Investments now with Capper Neill. At 14½p the p/e ratio is 3.61 and the dividend yields 13.4 per cent.

Cawoods up 36% at halfway

TURNOVER for the six months to September 30, 1976, at Cawoods increased by 20 per cent. to £24m., reflecting price increases in coal and oil and some increased volumes in solid fuel, sand and gravel and building materials. While pre-tax profit was up by 36 per cent. to £2.45m.

With profits in October and November ahead of last year's figures, if the weather is favourable for fuel demand with no untoward interruption in coal supplies, the directors look forward to another satisfactory year's results, says Mr. E. Banks, the chairman. Profit for the year to March 31, 1976, was £5.04m.

The interim dividend is effectively raised from 0.7915p to 0.87p net per 25p share. Last year's total was equal to 3.067p.

1976	1975
Subs. turnover	72,430
Share associates	11,492
Total turnover	83,922
Trading surplus	2,585
Share associates	130
Depreciation & amort.	593
Investment income	14
Loan stock interest	62
Profit before tax	2,882
Taxation	1,312
Minority interests	30
Retained credits	20
Net balance	1,163
Profit dividend	20
Ordinary	263

* Debits.

Burtonwood first half advance

TURNOVER for the half year to September 23, 1976, of Burtonwood Brewery Company (Forshaw) increased from £4.13m. to £4.75m., and profit advanced from £530,340 to £628,037, subject to tax of £223,000 (£276,000). For the year to March 27, 1976, turnover was £8.11m., and pre-tax profit £1,003,288.

Trade during the six months reflected the summer weather, though the ever rising cost of duty, materials and services curtailed the growth in profits, says Mr. R. I. Gilchrist, the chairman. Prospects, he says, are dependent on the recovery of the

economy and a consequent reduction in unemployment. They could be adversely affected by any increases in beer duty and VAT which may be imposed in the immediate future.

The company should marginally improve its trading position by the acquisition of five licensed houses in the Greater Manchester area which is at present being negotiated.

I. C. Gas up £1.1m. halfway

A RECOVERY in pre-tax profit from a depressed £131,000 to £1,278,000 is reported by Imperial Continental Gas Association for the half year ended September 30. Sales climbed from £27.12m. to £43.7m., and a midway net loss last time of £150,000 became a net profit of £293,000.

Half-year results do not, however, provide a guide to the probable results for the year. In 1975-76 full-year profit was up at £14,79m. on higher sales of £238.0m.

The interim dividend is raised to 3.5p net (3.12p) per £1 share. The total for last year was 7.95135p.

1976	1975
Sales	43,700,000
Depreciation	5,000,000
Investment income	1,000,000
Share interest, etc.	223,000
Bank interest	1,200,000
Taxation	900,000
Net profit	293,000

The pre-tax loss of the Imperial Continental subsidiary Calor Gas Holdings was reduced from £490,000 to £229,000 for the six months to September 30, 1976. The directors state that unless the winter is exceptionally cold it is doubtful whether the company will show an improvement on the previous full-year profit of £52,6m. on sales of £99.05m.

The tax charge for the half year was £220,000 (£200,000) leaving a net profit of £79,000 (£49,000). The present indications are that the share of earnings of the Belgian subsidiaries, together with the proportion of UNERG earnings from the construction industry, be greater than for previous years, say the directors.

In the U.K. the transport and engineering divisions, together with the Irish businesses, all showed improvements over last year.

The fertiliser business continued to make a loss and the decision has been taken to withdraw completely from these operations at the end of the forthcoming season. This will give rise to some termination costs.

Results of Pro-Sil in the U.S. are also disappointing and exposure there has been reduced by disposing of part of the assets at book value.

comment

Imperial Continental Gas's interim profits are no real guide to the outcome for the full year since the Belgian dividends are not paid until the second half as is demonstrated by last year's half-year profit split of £61,3m. and £47m. As it is the bulk of the company's earnings, a drop in sales to £1m. in the net interest charge subsequent to last year's rights issue. Calor Gas, which slips in roughly a third of profit is feeling the pinch on margins and is unlikely to show much improvement on last year's £3.6m. However, the Belgian prospects are considerably brighter. Last year's dividends freeze looks like being replaced by a 5.5 p per cent. dividend permitted increase. In addition, sterling has dropped by roughly a fifth against the Belgian franc since March, which will give a useful boost to earnings. The shares closed 5p lower at 500p after a fifth since mid-October. A prospective yield of 4.4 per cent. may limit the scope for further gains in the short term but the Petrofina and Unerg stakes worth around £100m. against a total market capitalisation of £120m. the shares have plenty of backing.

Lighting & Leisure

Mr. Norman Davis, chairman of Lighting and Leisure Industries, told the annual meeting that the company had a "reasonable" progression of profits for the year despite the country's general difficulties, provided there were no further major changes to the company's control.

Recovery trend for FMC

A RECOVERY in pre-tax profit from £205,000 to £1,125,000 is announced by FMC Europe's biggest unit group, for the 24 weeks to September 30, 1976. According to the directors the results for the full year will be materially better than last year's depressed £915,000.

Once again they have decided to defer dividend payment until full year profits are available—in the absence of unforeseen trading reversals it is intended to pay more in last year's 2.3p net.

First half results exclude the contribution from the New Zealand subsidiary which they report is trading satisfactorily. These results will be consolidated at year-end.

A major factor in the improved first-half performance is the action taken by management to reduce the ever rising cost of materials and rationalise production throughout the group, the directors say.

The fresh meat division suffered from problems created by the unexpected dry summer and a substantial fall in the national kill of cattle. Consequently profits of this division are lower than last year. Results of the poultry and by-products divisions have been satisfactory. Despite the heavily subsidised competition in bacon, hams and canned meats particularly from Denmark and Holland, the Harris Products division (formerly known as Marsh Harris) remains a strong performer. As a result of a reorganisation, turned round into a profit, albeit unsatisfactory in relation to the resources

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Beechwood Constr. Int.	0.5	Feb. 15	0.5	1.5	1.5
Bechtel Tl.	0.5	Jan. 23	0.5	1.5	1.5
Black Arrow	0.3	Feb. 3	0.3	0.3	0.3
Bridgewater Inv.	0.22	Feb. 11	0.22	0.22	0.22
Cawoods	0.87	Feb. 11	0.87	2.25	2.25
A. Cohen	1.57	Feb. 11	1.57	1.57	1.57
Dobson Park Ind.	1.15	Mar. 4	1.15	1.15	1.15
Doornfontein	3	Feb. 8	3	3	3
East Dricofontein	40	Feb. 8	40	40	40
Arthur Guinness	1.12	Feb. 11	1.12	1.12	1.12
Haslemere Estates	0.93	Feb. 11	0.93	0.93	0.93
Imp. Continental Gas Int.	3.5	Mar. 28	3.5	3.5	3.5
Imp. Kenneth Kajang Int.	0.65	Jan. 28	0.65	0.65	0.65
Kloof Gold	15	Feb. 8	15	15	15
K. O. Boardman Int. Int.	0.4	Feb. 7	0.4	0.4	0.4
Arthur Lee	1.15	Feb. 8	1.15	1.15	1.15
Libanon Gold	1	Jan. 28	1	1	1
M. L. Meyer	1.3	Jan. 28	1.3	1.3	1.3
Moorgate Investment Int.	1.0	Jan. 17	1.0	1.0	1.0
Phoenix Timber	2.0	Feb. 1	2.0	2.0	2.0
Property Holding	2.2	Jan. 21	2.2	2.2	2.2
Record Ridgway	1.2	Feb. 11	1.2	1.2	1.2
Serck	1.41	Feb. 11	1.41	2.41	2.41
Stanhope General	0.9	Jan. 28	0.9	0.9	0.9
Stenhouse Hldgs.	2.13	Apr. 14	2.13	2.13	2.13
Trans-Oceanic Trust	2.7	Feb. 11	2.7	2.7	2.7
Utd. Frt. Securities Int.	0.88	Feb. 11	0.88	0.88	0.88
Ward and Goldstone Int.	1.05	Feb. 14	1.05	1.05	1.05
West Dricofontein	135	Feb. 8	135	135	135

Dividends shown pence per share net except where otherwise stated. † Equivalent after allowing for scrip issue. ‡ Gross. § 5.55p expected. ¶ South African cents. || Malaysian cents gross.

Beechwood first half downturn

A fall in pre-tax profits from £230,114 to £185,454 is reported by Beechwood Construction for the six months ended September 30, 1976, but overall, the directors are more optimistic about the second half.

The net interim dividend is held at 0.5p per 10p share—last year's total was 1.65p—on pre-tax profits of £588,297.

Mr. I. S. Scott-Maxwell, the chairman, says the lower first-half result reflects the depressed state of the construction industry and the increasing difficulty of financing activities quickly in present economic circumstances. In addition, margins have been thinned by engineering fabrication work which has been slow to move towards more sophisticated production.

However, business has been very good in the well drilling and pumping sections, he says.

Chaddesley Investments

Chaddesley Investments, the property development and investment company, has entered into an agreement for Portman Estates, a company within the Schlesinger group, to provide property and financial management services. The agreement is to run initially until March 31, 1978.

The arrangement replaces a similar one that Chaddesley had with Glen Anil Development Corporation, a South African company. Glen Anil also had an option to acquire, at a price of 61p per share, one half of Chaddesley's 400,000 shares. The agreement with Portman Estates does not include a share option. CAPI, which originally bought a 48.6 per cent. holding in Chaddesley at the beginning of 1976, is to strengthen its representation on the Chaddesley Board with the appointment of Mr. A. W. Arosch and Mr. C. W. W. D. Arosch. Mr. Arosch, chairman of Chaddesley already represents the CAPI interests.

A. Lawrie Factors increase

A subsidiary of Lloyds and Scottish, announces a 36m. increase in profits factored to £1.6m. for the year ended September 30, 1976. Trading profit is £223,496 for the year against £279,507 for the nine months to September 1975. After tax profits reached £206,081.

In the annual report, the directors say the last quarter saw factored turnover rise sharply, with September setting a new

Serck £2m. ahead to record £7m.

ON SALES some £9.5m. higher at £89.5m., pre-tax profit of Serck advanced from £5.03m. to a record £7.11m. for the year to September 30, 1976 after £3.17m. against £1.85m. for the first half.

Full year earnings are shown to be up from £2.1p to 3.5p per 25p share and the dividend total is lifted from 2.18p to 2.4068p net with a final of 1.4068p.

The directors say the group has done well in a year of slack demand. Output in real terms has fallen from the levels experienced in 1975 and business outside the U.K. has been particularly difficult.

Liquidity has again improved and the group has embarked on a substantial programme of investment in plant and facilities. Also, the financial resources now make it possible to look further ahead in expanding interests.

There is no discernible trend in world economic activity and markets in general remain uncertain. Nevertheless, Serck has made a promising start and expects to give a good account of itself in the current year.

At the year-end assets employed stood at £33m. (£27m.) and cash and deposits less borrowing at £11m. (borrowing less cash and deposits £2.1m.).

The group manufactures heat exchangers and valves, control equipment, vehicle exchange parts, etc.

The year-end results at Serck include £600,000 from currency exchange gains, are £1m. better than half-time expectations. Surprisingly, exports have

Ward & Goldstone improves

SALES of Ward and Goldstone improved from £17.60m. to £23.7m. in the half year ended September 30, 1976, and pre-tax profits were up from £0.55m. to £1.02m.

The net interim dividend is held at 1.65p. The total in 1975-76 was 4.56p from pre-tax profits of £3.44m.

The first-half profit is, after depreciation of £717, (£518,500) and £18,000 (car transfer from investment in 1975). Tax charge is £521, (£431,750).

The group makes insulators and cables, electrical plastics accessories.

Surprisingly, exports have

Smith & Nephew progress

SALES for the 40 weeks to October 2, 1976, of Smith and Nephew, Associated Companies increased from £90.7m. to £109.8m., and pre-tax profit advanced from £3.55m. to £5.02m.

At the 24 weeks stage sales were £53.5m. (£57.5m.) and pre-tax profit was £3.45m. (£4.65m.).

Profit for the year 1975 was £11.82m. on sales of £118.56m.

40 weeks	1976	1975
Sales	109,800,000	90,700,000
Inter-dividend sales	1,437,000	1,341,000
Pre-tax profit	5,020,000	3,550,000
Taxation	4,400,000	3,300,000
Net profit	4,620,000	3,250,000
Attributable	4,770,000	3,250,000

comment

The growth of quarterly pre-tax profits at Smith and Nephew continues to increase, with the last four quarters showing improvements of 17.3, 9 and now 13 per cent. The two divisions in trouble, cosmetics and plastics, have done rather better, although considerable losses in America on the cosmetics side are continuing.

MITCHELL SOME

The directors of MIT Some have been advised by Treasury that the dividend for current year can be increased to last year's £28p to 1.4p net per share. The company made a profit of £9.8m. in the half year to October 2, 1976 (as reported December 10).

Your first call before doing business in any part of France

01-588 328

Mr. L. S. Thornton A.I.E., M.B.M., F.A.I.M., United Kingdom Representative, Caisse Centrale des Banques de Paris, 4 London Wall Building, Blomfield Street, London, E.C.2.

Barque Populaire

Mr. L. S. Thornton A.I.E., M.B.M., F.A.I.M., United Kingdom Representative, Caisse Centrale des Banques de Paris, 4 London Wall Building, Blomfield Street, London, E.C.2.

HASLEMERE ESTATES

Interim Unaudited Results Six months to 30th September 1976

Pre-tax profit (excluding profits from sales of investment properties) increased by 154% to £863,000

Net rental income increased by £510,000 to £3,300,000

All interest charged against current revenue

Interim dividend increased from 0.9p to 0.95p per share

4 Carlos Place, London W1Y 5AF

01-629 1105

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Interim Unaudited Results Six months to 30th September 1976

First half recovery by Montague L. Meyer

FLECTING IMPROVED demand in rising prices, pre-tax profits increased over the 1975-76 year to £10.7m. to £11.3m. for the six months to September 30, 1976, and the directors say that despite peak interest rates and a possible slackening demand, the full year figures will be good. Profits for all 4-75 came to £8.18m. First half earnings are shown to be up from 4.5p to 6.1p per share and the interim dividend is lifted from 0.9p to 1.5p costing £10.7m. (£10.7m). The final is expected to be 2.5p, making the maximum permitted (3.75p).

Phoenix Timber upsurge

REFLECTING IMPROVEMENTS in softwood trading and rising commodity prices, pre-tax profit of The Phoenix Timber Company has risen from £2.2m. to £2.4m. for the six months to September 30, 1976, and the directors anticipate a downturn in profitability in the second half-year. They believe that the full year's figures will prove satisfactory, says Mr. A. Gourvitch, the chairman.

The Norwegian associate, which manufactures chipboard, continues to operate at a loss and the Board considers its prudent at this stage to provide against the total cost of this investment of £148,000.

Earnings per 25p share for the half-year increased from 0.2p to 0.3p and the interim dividend is raised from 1.5p to 2.5p net. It is intended to pay the maximum permitted total of £3.75p (£3.75p) for the year.

See Lex

Utd. Spring doubles to £0.63m.

BETTER than anticipated performance in the U.K. spring helped United Spring and Group to more than double tax profit from £200,000 to £400,000 in the year to September 1976, after £157,000 (£157,000) half year.

Turnover for the year advanced from £13.07m. to £13.07m. Profit is £278,000 (£134,000), earnings per 10p share increased from 1.38p to 2.55p, final dividend of 0.88p net was a maximum permitted dividend of 1.30p (1.182p), absorbing 7,000 (£115,000).

Mr. D. Westwood, the chairman, says the U.K. spring division formed better than had been expected although the recession in Europe had some effect on the sales of the Dutch companies.

The steel division benefited from a modest increase in demand to the year and had pulled in some loss from the steel division in the year, but has increased borrowings.

Churchbury

The directors of Churchbury state that income will remain at the current level for a remainder of the year, and the chairman points out that

IMPERIAL CONTINENTAL GAS ASSOCIATION

Interim Statement

	Half Year to 30.9.76	Half Year to 30.9.75	Full Year to 30.9.76
Consolidated Results (unaudited)			
Revenue	38,476	39,875	78,351
Expenses	2,608	2,608	5,216
Profit	35,868	37,267	73,135
Profit after Taxation	3,089	2,912	6,001
Profit before Taxation	1,417	1,233	2,650
Profit (not audited)	184	114	298
Results before Taxation	1,233	1,119	2,352
Results after Taxation	983	805	1,554
Results after Taxation	283	150	433
Results after Taxation	45	31	76
Results attributable to ICGA	248	119	367

consolidated results are those of the Association and its subsidiaries ending in Belgium subsidiaries.

Directors have declared an interim dividend for the year ending 31st March 1977 of 3.5p per stock unit on the £39,408,726 Ordinary Capital Stock, £1,486,305 and payable on the 28th March, 1977 to stockholders on the list at the close of business on the 18th February, 1977. The interim dividend is the 20th March, 1976 at 3.12p per stock unit on £39,066,644 Ordinary Capital Stock (£2,178,779). The capital of the Association has been increased from £24,861,000 to £39,408,726 by the issue of 1,486,305 new shares.

MINING NEWS Elandsrand issue on the way

BY KENNETH MARSTON, MINING EDITOR

THE WAY is being prepared for two to five years from the date of purchase of the Consolidated Anglo American Corporation. The scheme carries little of purchase of the Consolidated Anglo American Corporation. The scheme carries little of purchase of the Consolidated Anglo American Corporation.

Gold Fields' dividends

DECEMBER half-yearly dividends announced by the Consolidated Anglo American Corporation. The scheme carries little of purchase of the Consolidated Anglo American Corporation.

UNION CORP. SHARE SCHEME

Some 2.39 per cent. of the issued capital of South Africa's Union Corporation of 1,650,000 shares is to be set aside for a share purchase scheme for senior (salaried) employees of the company. They will be offered shares on the basis of market prices, but the permitted to sell them only in specified amounts over a period of from

AIDC aids Windarra

The latest calculations from the Australian Government suggest that the state-owned AIDC has made a tentative offer of a 40 per cent. stake in the Windarra Nickel Mine of the U.S. to the U.S. company. The offer is being made by the AIDC, which has been set up by the Australian Government to develop the Windarra Nickel Mine.

ROUND-UP

The U.S. arm of the Consolidated Anglo American Corporation, has raised £24.4m. (£24.4m.) through a rights issue. The offer is being made by the AIDC, which has been set up by the Australian Government to develop the Windarra Nickel Mine.

EMIL BUYS UP MINORITY IN NIKMAR ESTATES

EMIL has bought the final 7 per cent. of the shares it did not already own in Nikmar Estates, the parent company of musical instrument distributors, Rossetti (EMI). The purchase of all the shares has also been completed.

HALLAM ACCEPTS BOOTS' OFFER

The Hallam Group of Nottingham, jointly owned by May and Haswell and Montague L. Meyer, is closing its loss-making cabinet factory at Eastwood, Nottinghamshire, in the New Year. An offer from Boots of £1m. for the lease of the factory, the plant and machinery and adjoining freehold land has been accepted.

EMIL BUYS UP MINORITY IN NIKMAR ESTATES

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C. & W. WALKER COULD PAY 10p

C. & W. Walker, the specialist engineering group, has obtained Treasury permission to increase its dividend to 10p per share in the year to September 1976, which is exercisable in full and not in part only at any time up to April 30, 1977.

GUINNESS Preliminary Announcement of Profits and Dividend

52 weeks ended 25th September, 1976

	1976 £000	1975 £000
TURNOVER	413,878	339,423
PROFITS		
TRADING PROFIT		
Brewing	31,261	24,136*
Confectionery	487	309
General Trading	3,499	3,011*
Leisure	226	425
Plastics	980	755
Property	157	103
Share of profits of associated companies	36,158	28,739
Investment income	8,306	5,822
Interest charges	917	886
PROFIT BEFORE TAXATION	45,381	35,447
Taxation	6,069	6,363
PROFIT AFTER TAXATION	39,312	29,084
Minority interests	18,198	12,447
PROFIT ATTRIBUTABLE TO STOCKHOLDERS	21,114	16,637
Extraordinary items	2,203	1,487
DIVIDENDS	18,911	15,150
RETAINED PROFIT OF THE GROUP	2,690	1,706
EARNINGS PER 25p STOCK UNIT	16,221	13,444
	5,348	4,862
	10,873	8,582
	22.2p	17.9p

*Figures re-stated in a form to make them directly comparable with those for 1976.

PROPOSED FINAL DIVIDEND FOR 1976

The Directors propose a payment on 11th February, 1977 of a final dividend of 4.1204p per 25p stock unit.

The proposed final dividend together with the associated tax credit is equivalent to 6.3391p (5.7628p) making a gross equivalent of the total dividends for the year 9.6683p (£8,789.4p). This represents an increase of 10% compared with last year which is the maximum permissible under the current counter-inflation legislation.

NOTES

1. (a) Trading profit is after charging depreciation of £9,737,000 (£8,405,000) and profit sharing scheme £1,869,000 (£1,379,000).

(b) The following table shows the trading profit of holding and subsidiary companies attributable to sales in each territory:

	1976 £m	%	1975 £m	%
United Kingdom and Republic of Ireland	24.7	68	21.2	74
Overseas	11.5	32	7.5	26
	36.2	100	28.7	100

(c) The increase of £4.0m in overseas trading profit includes £1.1m which can be attributed to the conversion of this year's profit at exchange rates which were more favourable than those used in converting last year's profit.

2. Uptonspur Ltd. and its subsidiaries have brought forward their current year end from 25th September, 1976 to 13th March, 1976 and therefore the results of the leisure division shown by these accounts only include the trading of Uptonspur Ltd. and its subsidiaries for the 24 week close season in which turnover was negligible. If the unaudited results of the Uptonspur Group for the 52 weeks to 25th September, 1976 had been consolidated the reported trading profit of the leisure division would have amounted to £546,000 (£425,000).

3. The attributable proportion of profits is included in respect of the following associated companies: Harp Lager Ltd., Cantrell & Cochrane Group Ltd., Guinness Ghana Ltd., Guinness (Nigeria) Ltd., Sierra Leone Brewery Ltd., Savage Smith & Co. Ltd., Taunton Cider Co. Ltd. and associated companies of Morison Son & Jones International Ltd.

4. (a) Taxation includes deferred taxation and consists of:

	1976 £000	1975 £000
Holding and subsidiary companies	4,323	2,763
United Kingdom	9,560	7,407
Republic of Ireland and Overseas	13,883	10,170
Share of taxation of associated companies	4,315	2,277
	18,198	12,447

(b) U.K. Corporation tax has been provided at the rate of 52% (52%).

5. Extraordinary items include charges relating to:

	1976 £000	1975 £000
Revenue expenditure arising in connection with modernisation of Dublin brewery	1,874	1,570
Terminal costs mainly relating to non-brewing activities	608	876
Net book loss on writing down of investments, disposal of properties and repayment of currency borrowings	547	188
Provision to write down premiums previously capitalised as goodwill on acquisition of shares in subsidiary companies	979	
Less tax relief and minority interests	4,008	2,634
	1,318	928
	2,690	1,706

Summarised Group Balance Sheet at 25th September, 1976

	1976 £000	1975 £000
SOURCES OF CAPITAL		
Ordinary stockholders' equity	120,670	109,086
Deferred taxation, provisions and outside shareholders' interests	32,719	27,963
Loans	46,088	45,264
	199,477	182,313

	1976 £000	1975 £000
EMPLOYMENT OF CAPITAL		
Fixed Assets	126,321	122,907
Goodwill	13,570	14,006
Investments	29,994	27,276
Net current assets excluding liquid funds	46,257	37,199
Cash and deposits	11,927	3,980
	228,069	205,368
less bank overdrafts and short term loans	28,092	23,055
	199,477	182,313

Extracts from the Chairman's Statement

GENERAL

Turnover of the Guinness Group is running at over £1 million per day. Group profit shows a notable improvement over 1975 to which the spread of our business in various activities worldwide made a valuable contribution.

INFLATION ACCOUNTING

The approximate effect of applying current cost accounting principles to the Guinness Group results would be to show the Group profit before taxation reduced by £15.9m (40%) of which £8.9m represents additional depreciation and £7.0m the cost of sales adjustment. The current purchasing power gain on the net monetary liabilities would amount to £13.2m of which £6.2m would arise from short term liabilities.

BREWING

We have again had a mixed year in the Republic of Ireland, where the problems of inflation have worsened the recession. Beer sales were hit by the 6p a pint tax increase imposed in the Budget, but partly recovered later in the year.

Despite the difficult conditions in Northern Ireland our share of the fairly stable beer market has increased slightly.

The exceptionally hot summer affected sales of Guinness in Great Britain after a promising start to the year.

Once again Guinness has had a good year in almost all our markets overseas; good results have been enhanced by currency gains.

The Harp Lager consortium have added Kronenbourg lager to their range and group sales have exceeded two million barrels in the year.

GENERAL TRADING

Our principal concern in the General Trading Group, Morison Son & Jones International reports a substantial increase in profits over the previous year. Good progress has been made both overseas and in retailing in Britain.

PLASTICS

On a recovering market trend, our Plastics Group has shown an increase in trading profits of 30% to £1m.

CONFECTIONERY

Callard & Bowser, Nuttall have made an increased contribution to Group profits, and are increasing their share of the toffee market.

ARTHUR GUINNESS SON AND COMPANY LIMITED

The problems of dam safety

BY FABIAN ACKER

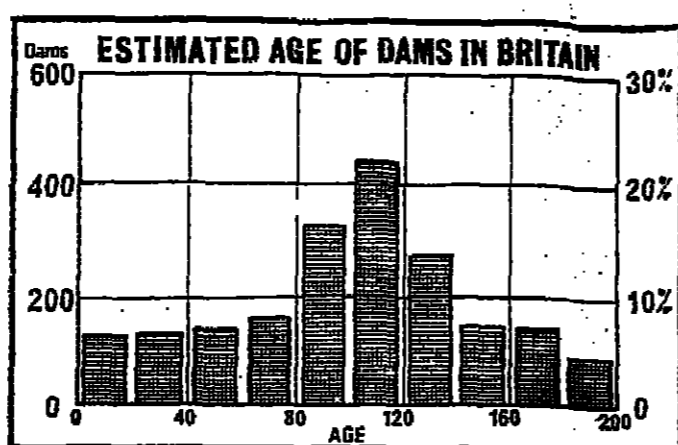
THE DAM at Buffalo Creek, Virginia, was built to hold the liquid refuse from a local mine; it was constructed haphazardly, it conformed to no known design, (its height was not even known), and the way in which the dam material (also mine waste) had been placed made failure inevitable. In fact, just slightly above average rainfall combined with melting snow resulted, in February, 1972, in the dam collapsing in a matter of minutes, hurling a wave of water and sludge on to the downstream hamlet, where the miners lived. Over 4,000 people were made homeless, and 125 died, drowned by water and black sludge generated by incompetence and ignorance.

The disaster need never have occurred, and this forced the U.S. Administration to push forward legislation already being demanded by Government engineers. The tragedy not only gave a new term to American psychiatry, the "Buffalo Creek syndrome," but also provided the start of a four-year debate on just how dams fit into the American way of life. The answers to this problem are still being debated: an element of urgency has been introduced into the debate by two more recent collapses, one of which led to 11 more deaths. At a recent American Engineering Foundation conference on dam safety held in California, it was learned that there are about 26,000 large dams (large in the sense of being more than 15

metres high) in the world, and countless other smaller ones, so many of the points made there will have universal application.

But how many dams are there in the U.S.? Two hundred years of independence and laissez-faire have led to a largely unrecorded dam "population"—unrecorded in that they did not appear on any register, no one knows who built them, and more alarmingly, no one knows how well or badly they were built. The Corps of Engineers (one of seven Federal dam building agencies) has recently completed a survey of 30,000 dams in the U.S. But although instructed to inspect every dam in the country by an Act of Congress passed in 1972, the Corps has failed to do so, because Congress failed to match its intent with money to implement it.

Some dams were found only by the use of a satellite survey, and some of these were found by aerial infra-red photography to be leaking. Although the Corps of Engineers, along with the Bureau of Reclamation (Burec) build and maintain their own dams with an expertise that is universally recognised, neither is infallible, as the collapse of the Burec's Teton dam in Idaho this year emphasised. How much more serious have been the failures of dams not built by government engineers. The Corps reckons that 20,000 of these are above areas of dense population, so that failure could result in many



lives being lost. Some of these need immediate attention.

The basic engineering competence of the Federal agencies is not in question; the problem that is now exercising engineers, and is of concern to the increasing number of people at risk, is who will inspect and monitor the dams already built, and who will approve plans for new ones. Ten States have no laws governing dam inspection. Anybody who wants to can build a dam if he has a title to the land, and many landowners are doing so. In this way yield lucrative "leisure industries." Tennessee has an inspection law, but paradoxically, as the number of dams built is soaring, the funds set aside to finance inspection procedures are falling—down to zero this year.

Compiling an inventory of all the dams in a country is clearly a first step to seeing which of

them are unsafe. In the U.S. this compilation has been made difficult by the long years of autonomy of the various States, while in Britain, the problem is compounded by the hundreds of dams which are more than a century old—the most venerable recorded is at Ariesford, Hampshire, and is 700 years old. Mr. A. I. B. Moffat from Newcastle University reckons that the average age of British dams is 108, and the absence of centralised records makes it very difficult to identify those which pose a high risk.

The British Reservoirs Act, 1975, which is still to be put on the Statute Book will eventually lead to a fuller inventory being taken, although there is some doubt whether this will be centralised, or kept in the hands of the local water authorities. But what worries Mr. Moffat is the much higher potential for failure that the

dams in this country have, as a result of their age, compared with those in America. "Most failures occur either in the first few years of operation of a dam, or towards the end of its life. Most of ours have passed their infancy and got over their teething troubles in the 18th century. Now they are becoming senile, and the possibility of a collapse becomes stronger every day."

Both countries share the immense technical difficulty of once having "found" an unregistered dam, determining whether it is likely to continue holding water safely for the next five or six years. Factors such as cracks in the dam face, or excessive silt in the downstream section point to the fact that something is not in order, but there are many structures which do not have such obvious signs and, when there are no records of the construction techniques, it is virtually impossible to discover what lies below the dam faces, and in what sort of condition it is.

When there are no obvious signs of deterioration, there are other techniques which may be used to evaluate the dam's safety. One involves taking samples from boreholes of the core material, and other important sections such as the foundations and the abutments. A new procedure outlined at the conference, which is likely to gain increasing acceptance for earth- and rockfill structures, is that of acoustic emission. Steel rods are driven

deep into the structure, and microphones are attached to the protruding ends. Apparently there are sounds emitted at fairly regular intervals, which can be amplified and recorded for assessment. Recently completed experiments on dams which were deliberately made to fail, indicate that a meaningful picture of the dam's stability can be fairly easily gained by interpreting its acoustic emission.

In a guide for inspecting dams published by the United States Corps of Engineers, a system is advocated for the classifying of dams according to their hazard potential, indicating the likely loss of life and damage to property that failure would incur. Those in the lowest category, the guide suggests, need not be inspected, and those in categories two and three should be given "second and first priorities" in a dam inspection programme.

Mr. Moffat recommends using this classification in the U.K. Each dam could be given a "hazard index," because it is obviously a waste of time and money to inspect every dam with the same degree of care and attention. At an estimated cost of £2m. for the first year of inspection (which would be less for the subsequent years) the need for cost effectiveness is important. Even so, many feel that this figure may be seriously under-estimated.

Mr. Acker is the Editor of Water Power.

Entertainment Guide

OPERA & BALLET

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FRANKFURT, Dec. 14.

Wheelock bids in limbo

BY PHILIP BOWRING IN HONG KONG

Complaint

This complaint came as no additional information has been divulged. To the prospective bidders, the group structure is not considered as complicated as the various inter-group contracts which could seriously influence the real value of the company or, alternatively, make life very difficult for a bidder who did not gain the support of the management. Schroders and Chartered are not expected to say any information they have requested and have been denied. But it seems likely that in addition to not getting certain specific concrete information, they have also been unable to get even negative assurances on various matters which might lead them to suspect that it believes that given sufficient information "it could formulate terms likely to be of considerable

advantage to Wheelock Marden-Cheung and associates have shareholders. This might appear to be a case of Board control of the various question. It is not a strictly legal matter, but the Wheelock group quoted subsidiaries, which have huge sums on call with the parent, like to be able to call them in at a very difficult and expensive for a bidder who attempted to appeal to ordinary shareholders over the heads of Cheung and Marden.

Non-event

What at first promised to be

Non-évent

which Wheelock was trading to-day.

Hutchison has now appeared to put itself out of any offer at all for Wheelock as a group, unless further information is forthcoming. Should Hong Kong Land be prepared to make an offer with the present level of information, it would be hard to justify a counterbid to its own shareholders.

The net outcome seems to be that unless Hong Kong Land has more good news of information, apart from Wofford's offer, it would almost certainly be at a price substantially below that at which Wheelock has been trading. And even that would involve considerable risk on its part. So one can say "Wheelock is just too big for prying on that scale." Of course, Hong Kong Land could punt and make a very low offer on the basis of the information, leaving Hutchison to take its own position. But a low offer might well be unacceptable to executive directors John Cheung and John Marden who control the majority of the shares which have the right to voting rights. Their shares are only one-tenth the value. Given that Messrs Marden,

What at first promised to be the greatest takeover battle in Hong Kong history may prove now to be a total non-event. While there was scepticism at first as to whether Hutchison was a serious bidder, the scepticism has now been replaced by the fact that Hutchison has been a serious seller. Too many skeletons have emerged from its cupboard recently for a bidder to make a generous offer without being allowed a serious look at the books.

Ten days ago Wheelock announced that if a firm offer was not forthcoming by December 18 it would consider merger discussions terminated and would proceed with its own development plans. If Hong Kong Land fails to make an offer to-morrow attention will then be drawn to whatever the erstwhile sellers of Wheelock have in mind for the developments and an organisation to run the company. Or just possibly, even in Hong Kong, there could be a shareholder outcry for release of information. Following last year's profit collapse and revelations of huge losses, it would be in its management's interest to low.

Singapore taps Japanese market

BY PAULINE CLARK

THE SINGAPORE Government is to float a Y100m. bond on the Japanese domestic capital market in the second foreign Government issue to come to the market since the Ministry of Finance took up its new one-a-month concession November. The Singapore entry—the first to be made on the Japanese market by an Asian Government—was preceded last month by Denmark which also raised a similar amount on the market.

The terms of the Singapore issue are expected to be originally expected. Favourable market conditions have enabled the bond's lead managers, Daiwa Securities and Nomura Securities, to offer the issue at 98 to 99 per cent. compared with the 9 per cent. rate on the Denmark bond. But otherwise, the terms are the same: 10 years maturity in 12 par, and the issue price at 102.

Market commentators point out that the Singapore bond was offered in a market of liquidity the market, helped largely by the availability of long term funds in the banking system and because of a slowdown this month in the United States.

It is significant to the market has been the new Government's assurances that it is intent on a policy of strengthening the economy followed by the Bank of

Japan's hints at forthcoming reductions in the bank rate. With the slowdown in the economy, there has also been some switching out of equities into fixed securities, although this has been more a reaction to some extent by financial institutions' obligations to retain a certain ratio in equities or funds on short term deposit to the bank.

But the current market climate in Japan is not the only attraction for foreign borrowers. The market's popularity for offering bond diversification to borrowers in the international capital market has been much enhanced this year after the Japanese government's decision to issue a new foreign Government borrower a month into the quarter after the one every quarter policy pursued earlier this year. The country has been a heavy borrower in the Euromarkets already this year was an obvious candidate, and after the Singapore issue, a natural candidate for reforming with Mexico at the head. Early next year, the Overseas Development Bank of the U.S. is also expected to take advantage of this relatively untapped source of funds.

In 1977, however, liquidity in the market is expected to tighten with public authorities expected to raise an equivalent \$10bn. in the market.

Honda's net income rises by 208%

TOKYO, Dec. 14.

NDA MOTOR COMPANY'S income was \$17,500,719 for the year ended just 31. Net sales were \$1,429,244, and net income per share \$36 (\$12). Honda said, in its registration statement, which was filed with the SEC, that the change in net income was 208.2 per cent. from the preceding year due mainly to decline in the ratios to net sales of cost of sales and selling, general and administrative expenses. Net sales rose 28.9 per cent. since increases accounted for less than 5 per cent. of the amount of this increase. Honda said that net motor cycle sales increased 8.9 per cent. to \$508,726, due to the introduction of a new small motor cycle called "Road Pal." Honda said.

Honda said that domestic sales of four-wheel vehicles rose 7.7 per cent. to \$166,909, reflecting the introduction in May of a new compact car. "Accord." Sales of four-wheel vehicles overseas increased by 93.2 per cent. to \$158,776, due to higher sales in North America and Europe.

Sales of motor cycles overseas increased by 10.3 per cent. to \$342,229.

Cost of sales increased by 27.2 per cent. to \$507,749. However, the ratio of cost of sales to net sales declined from 70.4 per cent. in 1976 to 69.9 per cent. in 1977.

Reuter

Nestle profits should equal 1975 levels

By John Wicks

ZURICH, Dec. 14.

NET profits of the Swiss food trusts concern Nestlé Alimentaire de Vevey, will this year be "the very least" equal to the 1976 figure of Sw.Frs.229.5m. The company therefore expects to be able to distribute again the gross dividend of Sw.Frs.65 p share paid last year.

The company, Switzerland's biggest industrial concern, reports a rise in consolidated group turnover so far in 1976 of 3.3 per cent, to Sw.Frs.15,480 million. In fact sales volume has increased substantially faster than is indicated by this growth rate in industrialised countries and even more so in the third world.

French car makers cautiously optimistic about 1977 prospects

PARIS, Dec. 14

RENCH CAR manufacturers are cautiously optimistic about their 1977 prospects, but the outlook for the second half of the year is very uncertain, industry spokesman told Reuters.

The current strength of the private car sector is expected to continue until the end of the year, after the pth position hinges on the outcome of the Government counter-inflation plan, they said.

Most firms forecast improved results this year after sharp reversals in 1975 but the heavy vehicle sector has been badly hit by weak domestic and export sales in the past three months, they added.

Regie Nationale des Usines Renault said orders are currently strong the short-term outlook is good and it expects to return to £155m. loss. Production is forecast this year after 1975's cut to reach a record 1.6m. vehicles this year (1.4m. last year), a spokesman said.

However, the company's overall performance next year will depend largely on results of the Government anti-inflation plan, which has a three-month price freeze due to end in December 31, higher taxes and 1977 credit restrictions.

Last week industry sources said car manufacturers will be

allowed to increase prices 5 per cent. in 1977. But the Renault spokesman said the company does not plan any immediate increase after the freeze ends and talks between industry and finance ministry have not yet been finalised.

A spokesman for Renault's heavy vehicle subsidiaries, the Vehicules Industriels d'Equipments Mecaniques (Saviem) and Automobiles M. Berliet SA, said the 1977 outlook is cloudy and recent sales declines have affected this year's results.

However, the Berliet spokesman stressed that the sector is not in

Philips to buy into Sabanci affiliates

BY METIN MUNIR

ISTANBUL, Dec. 14

THE SABANCI group, one of the two biggest in Turkey, has reached agreement in principle to buy 35 per cent. of the shares of two Turkish affiliates of Philips, companies Sabanci Philips and Sabanci Philips Finance here to-day.

Negotiations on the other 65 per cent. of the shares said to total \$3m. (about £1.1m. just over \$3m.) are continuing. The agreement must be ratified by the Turkish Ministry of Finance before it can be concluded.

The affiliates in question are the Turkish Philips Trading Company, established in 1930, and Turkish Philips Industry, established in 1956, the company sources said. The latter is one of the biggest producers of gramophone record players, tape recorders, loudspeakers, television sets and the like in Turkey.

The shares of these two com-

panies are wholly-owned by Philips.

Philips has shares in two other companies with Turkish partners. These states with products light bulbs and Estam, which manufactures refrigerators and washing machines. These companies are not included in the Sabanci-Philips deal, the company sources said.

The plan is finalised it will have two major implications—first it will spread Sabanci, which is prominent in banking, textiles and fibres and yarn production, into electronics. Second, it will result in the expansion and diversification of the Philips manufacturing activities in Turkey.

Sabanct, which some say is the biggest private industry group in Turkey, is one of the most rapidly expanding in the world. Finance, insurance, industrial, commercial and agricultural companies number over 60.

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Société Générale de Banque	Strauss, Tumbull & Co.	Svenska Handelsbanken	Tradition Securities Limited
Strauss, Tumbull & Co.	Taipei Robe Finance Hong Kong	Union de Banques Arabes et Françaises (U.B.A.F.)	Verband Schweizerischer Kantonalbanken Limited
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WALL STREET + OVERSEAS MARKETS

Early easiness on technical factors

BY OUR WALL STREET CORRESPONDENT

SLIGHTLY LOWER levels developed on Wall Street today, reflecting year-end technical factors and also some profit-taking. Analysts noted that the market advanced in six of the past seven sessions.

At 1 p.m. the Dow Jones Industrial Average was down 2.30 at 1,171.74, and the NYSE All Common Index came back 15 cents to 556.20, while declines led advances by a narrow margin.

Closing prices and market reports were not available for this edition.

seven-to-five majority. Trading volume further decreased 74,000 shares to 12.3 million, compared with 1.1 million yesterday.

Inland Container shipped \$1 1/2 to \$2 1/2, actively-traded McDonald's gave way \$1 1/2 to \$5 1/2, IBM lost \$1 1/2 to \$28 1/2, Texas Instruments

slight rise in unadjusted employment in November caused initial weakness.

Bankers, Portfolios and Constructors all gained around, but Foods and Motors weakened. Steels recovered.

Jaques Borel were lower on its expectation of a net consolidated 1976 profit.

Foreign shares were mostly irregular. Americans were steady, while Germans, Dutch and Canadians weakened. Golds were mixed.

BRUSSELS—Broadly lower after moderate trading.

Steels declined, Electricals and Utilities were narrowly mixed. Non-Ferrous Metals lower. Chemicals and Oils were lower, while Holdings weakened.

U.S. shares were mixed in mostly lower international. South African Golds declined. Dutch and German stocks gave ground, but French issues improved.

AMSTERDAM—Prices broadly eased. Banks, Insurances and Transports mostly eased, but Van Ommen moved up \$15.50.

Dutch Industrials generally declined, but Ballast-Nedam continued to rise \$2.

Bonds were steady. The Government announced a Bond issue (1978-1997) at 8.25 per cent, but shares lost ground in featureless trading.

VW lost another DM2.90 on market expectations it will again split a dividend this year.

Major Banks and Electricals

shed up to DM2.50, while major Chemicals and Steels were up to DM1.70 easier.

Among Heavy Engineering, GHI declined DM2.50 and WAS DM1.50. Preussag dipped DM1, despite a rise in third quarter earnings.

Stores were mixed.

Swiss Banks based up to DM0.40, with the regulating Authorities buying DMBM, nominal of stock. Foreign Mark Loans were barely steady.

OSLO—Industrials and Shipings were mixed. Insurances barely steady, while Bankings were firm.

VIENNA—Shares declined in moderate trading.

COPENHAGEN—Generally higher after moderate dealings.

SWITZERLAND—Markets were broadly easier, prompted by pessimistic views on the Swiss economy for the Commission for Economic Research at the Swiss Economic Ministry and Schweizerische Kreditanstalt.

Financials mostly drifted lower and leading Industrials also gave ground.

Dollar stocks were generally very steady. Dutch International barely steady, while Germans edged lower.

MILAN—Prices rallied in active trading, attributed to technical factors after problems developed from last Friday's settlement were apparently solved.

Bastoni and Intelecom were each marginally weaker, but Montedison firmed slightly.

NEW YORK, Dec. 14

FOREIGN EXCHANGES

Pound weaker

Sterling failed to sustain its 2.68 per cent from 3.42 per cent early advance in the foreign-exchange market for domestic and international change market yesterday, falling delivery.

The pound's trade-weighted average depreciation since the announcement of details about the loan from the International Monetary Fund and the Government's economic package.

Sterling opened at \$1.9900 and touched a best level of \$1.9920, before easing to \$1.9850, then falling to \$1.9800, before recovering to \$1.9850 in mid-afternoon and falling to \$1.9750 following the announcement of the increased trade deficit last month, before recovering to \$1.9800, a fall of 53 points on the day.

The pound's trade-weighted average depreciation since the announcement of details about the loan from the International Monetary Fund and the Government's economic package.

The dollar's trade-weighted depreciation since the Washington Agreement, calculated by Morgan Guaranty of New York, on noon rates, widened to 0.68 per cent from 0.57 per cent, and the U.S. pound moved to move in the U.S. pound over most of the day.

Gold gained \$1 to \$135.1331. The Bruggemann's premium over its gold content narrowed to 1.50 per cent.



GOLD MARKET

Gold Bullion	Gold Bullion	Gold Bullion	Gold Bullion
London	1,171.74	1,171.74	1,171.74
New York	556.20	556.20	556.20
Amsterdam	1,171.74	1,171.74	1,171.74
Brussels	1,171.74	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74	1,171.74
Paris	1,171.74	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74	1,171.74
Oslo	1,171.74	1,171.74	1,171.74
Vienna	1,171.74	1,171.74	1,171.74
Zurich	1,171.74	1,171.74	1,171.74

FOREIGN EXCHANGES

Dec. 14	Bank	Market	Rate
1976	Rate	Rate	Close
New York	1,171.74	1,171.74	1,171.74
London	1,171.74	1,171.74	1,171.74
Amsterdam	1,171.74	1,171.74	1,171.74
Brussels	1,171.74	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74	1,171.74
Paris	1,171.74	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74	1,171.74
Oslo	1,171.74	1,171.74	1,171.74
Vienna	1,171.74	1,171.74	1,171.74
Zurich	1,171.74	1,171.74	1,171.74

SPECIAL DRAWING

Dec. 14	Dec. 13	Dec. 12
1976	1976	1976
New York	1,171.74	1,171.74
London	1,171.74	1,171.74
Amsterdam	1,171.74	1,171.74
Brussels	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74
Paris	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74
Oslo	1,171.74	1,171.74
Vienna	1,171.74	1,171.74
Zurich	1,171.74	1,171.74

EXCHANGE CROSS-RATES

Dec. 14	Frankfurt	New York	Paris	Brussels	London	Zurich
1976	1976	1976	1976	1976	1976	1976
New York	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
London	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Amsterdam	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Brussels	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Paris	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Oslo	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Vienna	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74
Zurich	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74	1,171.74

EURO-CURRENCY INTEREST RATES

Dec. 14	Dec. 13	Dec. 12
1976	1976	1976
New York	1,171.74	1,171.74
London	1,171.74	1,171.74
Amsterdam	1,171.74	1,171.74
Brussels	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74
Paris	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74
Oslo	1,171.74	1,171.74
Vienna	1,171.74	1,171.74
Zurich	1,171.74	1,171.74

FORWARD RATES

Dec. 14	Dec. 13	Dec. 12
1976	1976	1976
New York	1,171.74	1,171.74
London	1,171.74	1,171.74
Amsterdam	1,171.74	1,171.74
Brussels	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74
Paris	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74
Oslo	1,171.74	1,171.74
Vienna	1,171.74	1,171.74
Zurich	1,171.74	1,171.74

OTHER MARKETS

Dec. 14	Dec. 13	Dec. 12
1976	1976	1976
New York	1,171.74	1,171.74
London	1,171.74	1,171.74
Amsterdam	1,171.74	1,171.74
Brussels	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74
Paris	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74
Oslo	1,171.74	1,171.74
Vienna	1,171.74	1,171.74
Zurich	1,171.74	1,171.74

Canada easier

All sectors lost slight ground in light trading on Canadian Stock Markets yesterday morning. The industrial share index dipped 0.25 to 168.38, Gold 0.34 to 75.54, Western Oils 0.01 to 216.41, Utilities 0.89 to 137.12, Banks 1.03 to 223.18 and Papers 1.03 to 223.18.

Gold Mines were lower, with ASX down \$1 and Dome Mines lost \$1.

The American SE Market Value Index gave way 0.25 to 102.1, while declines led advances by 249.10-203. Trading volume contracted 360,000 shares to 1.2 million, compared with 1.1 million yesterday.

MONDAY'S ACTIVE STOCKS

Dec. 14	Dec. 13	Dec. 12
1976	1976	1976
New York	1,171.74	1,171.74
London	1,171.74	1,171.74
Amsterdam	1,171.74	1,171.74
Brussels	1,171.74	1,171.74
Frankfurt	1,171.74	1,171.74
Paris	1,171.74	1,171.74
Stockholm	1,171.74	1,171.74
Oslo	1,171.74	1,171.74
Vienna	1,171.74	1,171.74
Zurich	1,171.74	1,171.74

Indices

NEW YORK—DOW JONES

	1917										Business		
											High		
	Dec. 13	Dec. 10	Dec. 9	Dec. 7	Dec. 7	Dec. 6	High	Low	High	Low			
Industrial	874.54	975.18	879.74	955.25	960.89	961.77	1014.75	355.71	1051.74	41.25			
Home Inds	91.91	91.78	91.62	91.59	91.64	91.65	(9.28)	(2.51)	111.74	18.74			
Transport	230.86	230.65	226.19	220.75	216.96	215.67	(19.12)	(5.71)	27.58	16.58			
Utilities	105.44	105.76	105.57	105.19	104.77	104.26	(14.71)	(2.61)	(75.80)	30.55			
Residing to Country	24.85	25.98	27.80	24.50	25.70	24.93	105.70	44.3	183.5	19.24			
							(101.02)	(25.0)	304.05	204.44			

STOCK EXCHANGE REPORT

Earlier losses extended following poor trade figures
Share index down 9.4 at 324.3—Golds ease again

Account Dealing Dates

*First Declared Last Account Dealings Dates
Nov. 23 Dec. 9 Dec. 10 Dec. 21
Nov. 23 Dec. 9 Dec. 31 Jan. 12
Jan. 4 Jan. 13 Jan. 14 Jan. 25
*New time "dealings may take place from 9.30 a.m. to 2.30 p.m. on the day of the deal." Dealings were suspended yesterday after the recent good run-up. Already on a downward path in highly sensitive trading conditions, the market was further depressed by the severe reaction yesterday following the announcement of the extremely poor trade figures for November. However, no further selling developed and final quotations in most cases were well above the worst. Down 8 points at 3 p.m., the F.T. 30-share index eased further to close a net 9.4 lower at 324.3.

It was a similar story in the gilt-edged sector where prices were occasionally showing falls to 3 in after-hours dealings before ending with losses of 2 on balance. The Government Securities index lost 0.14 to 35.67. Secondary issues followed the leading equities. Nevertheless, there were a few noteworthy rises, mainly in response to company trading statements. Overall dullness was reflected in the 8.1 ratio of falls to rises in the F.T.-quoted Industrials, while the F.T. All-Share index gave up 2.3 per cent to 140.18. There was a further improvement in activity as measured by official marketings of 3.77 compared with 5.54 on Monday and 4.64 a week ago.

Gilt reacts late

Awaiting the November trade figures in calm and orderly fashion, the market in British funds reacted nervously after the 3.50 p.m. announcement before steadying again in the late trading. Reflecting the importance

attaching to the trade returns today's statement by the Chancellor, business was of course subdued, but little of the ground recently gained was shed yesterday's news. Dealers then marked most high-coupon bonds down by 1 and more, but ensuring interest contained little selling and late in the day the falls were reduced to a maximum of 1. Tight conditions in the money market were an additional worry to the shorts, but such was the underlying trend that final losses were minimal with selected low-coupon issues even making progress on balance.

A more lively business in investment currency constituted both institutional and arbitrage interest which caused the premium to fluctuate between 110 and 114 per cent before a close of 111 on the day at 111.5 per cent. Yesterday's S.E. conversion factor was 0.7197 (0.7152).

Banks drift lower

The big four banks failed to extend Monday's good gains on the deferment of the payments of special deposits as pre-taking in front of today's mini-Budget took prices lower. The dismal trade figures knocked a couple of pence more off in the after-hours business but a late rally helped them close a little above the worst. Barclays gave up 7 to 225p as did Lloyds, 185p, and Midland, 235p, but National Westminster closed only 4 off at 265p. Discounts in close to a little above the worst. South Africa down at 56p.

Insurance succumbed to the general trend and closed with widespread losses. Sun Alliance, 335p, and "Rovals", 256p, lost 8 and 6 respectively. C.T. Bowring receded 3 to 56p and Evershield at 45p gave up a penny of the previous day's rise of 4 which followed the results. Stenhouse halved an early loss of 2 to 90p following the preliminary figures.

In line with the general downturn in Breweries, Arthur Guinness reacted to close unchanged at 114p after touching 117p on the better-than-expected preliminary results. Burtonwood improved 5 to 73p in a thin market but elsewhere prices lost ground in front of today's mini-Budget. Bass Charrington shed 5 to 74p as did Vaux to 220p; the latter's interim results are due



to-morrow. Losses of 2 were seen in Allied, 54p, Scottish and Newcastle, 44p, and Whitbread "A", 37p. Ahead of to-morrow's half-year results, Distillers shed 4 to 115p. Arthur Bell, a firm market of late, lost 8 to 148p. In lacklustre Buildings, A.C. Comest shed 3 to 131p, while R.P.C. 62p, and Rugby Portland, 41p, shed 2 and 3 respectively. Elmwood Construction shed a penny to 15p on the first-half profits setback. Timbers provided a couple of contrasting movements following interim statements. Montague closed at 40p, while the substantially improved first-half profits, improving 4 to 60p. Standing at around 300p ahead of the trade figures, ICI reacted 3 to 155p and Eddow down 4

to 100p. Dairy International gave up 5 to 140p, but news items encouraged several firm spots which included Record Roadway, up 10 to 60p on impressive results, and Christy Bros., higher at 27p following the WGI acquisition of 25.5 per cent stake the last mentioned slipped 3 to 82p. Good first-half figures lifted A. Cohen to 51p. Dealings in United 5 to 145p and Allied Spring were 1 harder at 13p after the increased profit. Serck on the other hand, gave up 1p at 41p. Despite better annual results, and George Whitehouse eased 1 further to 10p, still reflecting the dividend decision. CMC, how moved up 3 to 36p in response to the substantially improved interim figures. Railways were raised 11 points to 241p. Supermarkets drifted lower in quiet trading. Grand Metropolitan led Hotels and Caterers into lower ground with a fall of 3 to 33p. Wheeler's fell 3 to 30p. Overseas Travel and Tours, Houses Forre, 85p, both closed around 2 cheaper. Savoy A, however, edged up a penny to 38p with the help of Press comment.

Monday's firm start to the new account proved short-lived as the Miscellaneous Industrial leaders turned sharply lower yesterday on profit-taking in front of today's mini-Budget. The market was further depressed by the severe reaction yesterday following the announcement of the extremely poor trade figures for November. However, no further selling developed and final quotations in most cases were well above the worst. Down 8 points at 3 p.m., the F.T. 30-share index eased further to close a net 9.4 lower at 324.3.

the company after all, while I.C. Gas, at 306p, lost 5 of its recent good rise following the interim results. Dobson Park Industries were 17p lower at 27p after dealing news. Falls of around 5 were recorded in B. R. and E. A. 28p, De La Rue, 230p, Hanson Trust, 105p, and Charles Hill of Bristol, 88p, while Ozell back to 51p. Dealings in United 5 to 145p and Allied Spring were 1 harder at 13p after the increased profit. Serck on the other hand, gave up 1p at 41p. Despite better annual results, and George Whitehouse eased 1 further to 10p, still reflecting the dividend decision. CMC, how moved up 3 to 36p in response to the substantially improved interim figures. Railways were raised 11 points to 241p. Supermarkets drifted lower in quiet trading. Grand Metropolitan led Hotels and Caterers into lower ground with a fall of 3 to 33p. Wheeler's fell 3 to 30p. Overseas Travel and Tours, Houses Forre, 85p, both closed around 2 cheaper. Savoy A, however, edged up a penny to 38p with the help of Press comment.

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS		Tuesday, December 14, 1976										Highs and Lows Index	
GROUPS & SUB-SECTIONS		Index	Day's Change	Est. Yield %	Gross Yield %	Est. P/E Ratio	Est. Div. Yield %	Index	Index	Index	Index	1976	Since Completion
Figures in parentheses show number of stocks per section													
1 CAPITAL GOODS (178)		132.67	-1.6	22.98	7.82	6.48	6.43	124.71	121.81	120.71	118.26	120.06	100.85
2 Building Materials (30)		97.50	-2.5	25.23	10.04	5.97	5.96	100.08	97.76	97.86	97.26	124.47	121.81
3 Contracting, Construction (22)		151.02	-0.2	29.55	7.22	5.28	5.23	151.57	147.66	149.99	148.24	241.02	260.20
4 Electricals (16)		221.37	-2.5	19.49	5.75	7.65	7.46	257.73	254.05	246.32	231.58	389.09	387.50
5 Engineering (Heavy) (13)		155.01	-2.7	31.18	8.47	4.87	4.80	159.30	152.42	151.55	151.60	158.84	158.84
6 Engineering (General) (66)		114.74	-1.0	23.77	6.15	4.49	4.48	116.05	112.50	111.94	111.35	120.59	149.28
7 Machine and Other Tools (9)		55.89	-0.7	18.38	6.26	8.12	8.10	51.48	52.70	52.40	52.63	49.01	60.52
8 Miscellaneous (22)		103.54	-0.4	21.66	8.85	6.75	6.68	103.93	102.52	102.85	102.02	118.70	121.81
9 CONSUMER GOODS (DURABLE) (53)		105.10	-2.3	25.71	6.82	6.32	6.31	107.57	105.91	103.36	103.98	114.83	141.46
10 L.E. Electronics, Radio TV (15)		114.42	-2.9	22.16	5.15	6.72	6.71	117.82	112.85	111.66	111.48	129.48	160.25
11 Household Goods (13)		114.91	-2.1	26.60	10.46	6.72	6.70	114.98	114.37	113.85	114.20	116.56	121.81
12 Motors and Distributors (25)		70.67	-2.1	24.39	8.07	6.01	6.01	72.31	69.90	69.74	70.04	67.06	74.14
13 NON-DURABLE (170)		125.59	-2.9	18.40	7.84	8.25	8.14	129.09	125.05	125.61	124.64	145.96	162.24
14 Breweries (15)		130.45	-4.0	18.28	8.94	8.20	8.20	135.33	133.01	134.84	135.49	159.81	170.43
15 Wines and Spirits (6)		147.10	-4.0	16.36	7.21	9.38	9.38	162.23	148.25	148.51	148.10	160.76	182.12
16 Entertainment, Catering (15)		158.63	-2.5	17.01	8.47	8.97	8.99	162.76	156.78	156.33	155.94	187.30	211.26
17 Food Manufacturing (23)		156.47	-2.8	21.14	6.77	7.14	7.02	148.48	158.25	159.80	158.57	158.45	175.44
18 Food Retailing (16)		120.65	-1.6	16.23	6.58	9.04	9.04	122.62	118.09	119.61	116.58	143.15	153.12
19 Newspapers, Publishing (16)		185.70	-1.6	14.22	5.77	10.65	10.65	188.51	185.22	185.02	182.36	199.59	188.51
20 Packaging and Paper (12)		83.26	-2.1	21.45	9.68	7.15	7.15	85.03	83.30	82.75	82.69	101.47	112.50
21 Stores (34)		100.92	-3.1	15.49	7.12	9.95	9.92	104.09	100.16	100.85	98.13	120.47	120.47
22 Textiles (24)		109.03	-2.3	18.89	10.88	8.40	8.40	111.60	108.35	108.97	107.66	120.59	120.59
23 Tobaccos (3)		188.54	-3.0	22.07	8.71	6.74	6.74	204.04	198.63	197.54	200.02	208.63	241.98
24 Toys and Games (5)		71.67	-0.5	23.03	8.82	6.62	6.62	72.25	70.45	70.42	69.84	63.00	63.00
25 OTHER GROUPS (55)													
26 Chemicals (26)		189.58	-3.1	17.09	6.08	7.97	7.96	195.60	188.65	187.19	187.00	194.91	231.38
27 Office Equipment (8)		65.64	-2.9	18.41	8.05	7.94	7.94	67.99	65.72	64.90	64.87	86.29	86.29
28 Shipping (12)		385.51	-2.9	14.79	7.27	6.58	6.58	376.68	365.55	361.67	357.93	364.59	438.54
29 Miscellaneous (48)		180.43	-2.6	19.04	9.04	7.82	7.82	185.96	180.72	180.11	177.79	149.77	172.90
30 INDUSTRIAL GROUP (466)		129.80	-2.6	19.53	7.58	7.57	7.51	133.21	129.11	128.87	127.68	146.31	168.30
31 500 SHARE INDEX		150.84	-2.3	17.83	6.97	8.03	7.88	154.56	150.95	150.47	149.70	160.77	180.00
32 FINANCIAL GROUP (100)		106.92	-2.6	7.58	7.58	7.58	7.58	109.73	105.95	105.51	105.12	115.77	124.47
33 Banks (6)		131.58	-2.7	25.67	7.05	5.99	5.99	129.63	128.67	128.82	128.06	132.15	132.15
34 Discount Houses (10)		147.83	-1.4	9.43	9.43	9.43	9.43	149.87	144.88	140.77	141.36	168.64	185.28
35 Hire Purchase (5)		75.96	-1.4	9.67	9.67	9.67	9.67	74.84	70.59	71.59	68.36	101.39	121.81
36 Insurance (Life) (10)		88.42	-2.5	8.56	8.56	8.56	8.56	90.64	88.48	89.12	88.24	114.37	120.47
37 Insurance (Composite) (7)		85.06	-3.1	8.90	8.90	8.90	8.90	87.78	85.05	85.91	82.70	104.45	112.50
38 Insurance Brokers (9)		228.53	-3.3	12.33	6.18	11.24	11.24	232.91	226.95	226.98	224.33	216.10	270.00
39 Merchant Banks (15)		61.95	-0.8	8.09	8.09	8.09	8.09	62.35	60.10	60.31	49.98	55.67	62.35
40 Property (32)		132.88	-2.2	4.83	4.17	36.88	36.88	135.88	131.99	133.33	133.33	156.14	184.57
41 Miscellaneous (6)		87.37	-3.1	19.95	7.63	7.63	7.63	89.49	84.75	84.75	84.75	77.28	81.96
42 Investment Trusts (50)		142.50	-0.8	3.78	5.43	27.34	27.34	143.59	140.70	142.04	140.55	146.41	184.55
43 ALL-SHARE INDEX (650)		140.18	-2.3	6.96	6.96	6.96	6.96	143.47	139.88	139.82	138.83	155.83	178.54
44 COMMODITY GROUPS (Not included in 500 or All-Share indices)													
45 Rubbers (9)		483.04	-2.3	8.55	5.95	15.64	14.25	492.78	488.90	491.96	493.90	577.35	525.40
46 Teas (8)		131.70	-0.7	32.08	9.34	4.11	3.98	140.65	132.20	131.06	132.00	115.92	124.47
47 Coppers (3)		141.75	-1.0	46.71	7.90	2.19	2.19	143.16	148.81	152.30	153.71	255.14	255.14
48 Mining Finance (11)		82.95	-1.1	11.26	5.82	9.75	9.75	83.87	83.00	84.41	82.37	110.01	110.01
49 Tins (5)		119.05	-0.8	11.82	2.29	13.01	12.85	119.05	119.04	119.19	119.98	88.74	101.39
50 Overseas Traders (13)		808.11	-0.1	17.67	6.53	7.75	7.75	808.58	804.18	804.51	801.81	214.69	214.69
51 FIXED INTEREST													
52 Consols 2 1/2% yield		14.80	14.70	14.88	14.99	14.98	14.99	14.99	14.99	14.99	14.99	14.99	14.99
53 20-yr. Govt. Stocks (6)		44.80	114.45	45.03	44.70	44.55	44.44	44.55	44.55	44.55	44.55	44.55	44.55
54 20-yr. Red. Deb. & Loans (15)		45.77	116.06	45.49	45.35	45.27	45.33	45.27	45.27	45.27	45.27	45.27	45.27
55 Investment Trust Prefs. (15)		44.18	16.75	44.18	44.08	43.74	43.74	43.99	43.94	43.94	43.94	43.94	43.94
56 Com. and Ind. Prefs. (20)		61.76	14.62	61.24	61.02	60.99	60.85	60.76	60.68	60.68	60.68	60.68	60.68

FINANCIAL TIMES STOCK INDICES

	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sept 30	Sept 29	Sept 28</
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AUTHORISED UNIT TRUSTS

Unit Trusts Ltd. (a/c) Cambridge Rd., London, E.C. 4A 01-494111 Unit Trusts Ltd. (a/c) 01-494111 Unit Trusts Ltd. (a/c) 01-494111	Bridge Fund Managers (a/c) 10, Finsbury Circus, London, E.C. 2A 01-494111 Bridge Fund Managers (a/c) 01-494111 Bridge Fund Managers (a/c) 01-494111	G.T. Unit Managers Ltd. 10, Finsbury Circus, London, E.C. 2A 01-494111 G.T. Unit Managers Ltd. 01-494111 G.T. Unit Managers Ltd. 01-494111	Kleinwort Benson Unit Managers 10, Finsbury Circus, London, E.C. 2A 01-494111 Kleinwort Benson Unit Managers 01-494111 Kleinwort Benson Unit Managers 01-494111	Money Fund Managers Ltd. 10, Finsbury Circus, London, E.C. 2A 01-494111 Money Fund Managers Ltd. 01-494111 Money Fund Managers Ltd. 01-494111	Piccadilly Unit Tr. Mgrs. Ltd. (a/c) 10, Finsbury Circus, London, E.C. 2A 01-494111 Piccadilly Unit Tr. Mgrs. Ltd. (a/c) 01-494111 Piccadilly Unit Tr. Mgrs. Ltd. (a/c) 01-494111	J. Henry Schroder Wagg & Co. Ltd. 10, Finsbury Circus, London, E.C. 2A 01-494111 J. Henry Schroder Wagg & Co. Ltd. 01-494111 J. Henry Schroder Wagg & Co. Ltd. 01-494111	Target Tr. Mgrs. (Scotland) (a/c) 10, Finsbury Circus, London, E.C. 2A 01-494111 Target Tr. Mgrs. (Scotland) (a/c) 01-494111 Target Tr. Mgrs. (Scotland) (a/c) 01-494111
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INSURANCE, PROPERTY, BONDS

Company	Share Price	Dividend
Abbey Life Assurance Co. Ltd.	100	5.00
City of Westminster Assur. Soc.	100	5.00
Hamlyn Life Assurance Limited	100	5.00
Lloyds Life Assurance	100	5.00
Prop. Equity & Life Assn. Co.	100	5.00
Slater Walker Insurance Co. Ltd.	100	5.00

S. SIMPSON LIMITED

3rd Annual General Meeting of S. Simpson Limited was held on December 15, 1976, at the company's offices, 10, Finsbury Circus, London, E.C. 2A, presided over by the Chairman, Dr. S. L. Simpson.

The background of economic depression, particularly affecting the clothing trade, led to periods of contraction of demand in top quality cost clothing, but at the present moment we have orders both in and in export which will fill our production capacity for many months ahead.

Simpson (Piccadilly) Ltd. increased its turnover and profit in spite of the first half year being disturbed by many disruptive incidents in the last quarter of the financial year heralded the beginning of a major increase of visitors from all parts of the world and this has been maintained throughout the first quarter of the new financial year.

John Daks-Simpson (Womenswear) Ltd. and The Inverto Co. Ltd. have shown progress in the latter half of the year and port fields, and this trend continues.

Loyalties from the sale of DAKS Clothing under licence in U.S.A., progressive and we have added the Caribbean to our licensing area, which includes Canada and Japan.

In summary, we have passed through a difficult year with financial aspects affected by inadequate manufacturing margins in a period of severe inflation and this trend in manufacturing is not likely to be reversed until the second half of the current financial year. Simpson (Piccadilly) Ltd. has continued to show resilient fundamental strength and there are many encouraging signs in our total activities, including exports and licensing projects, which justify a cautious optimism.

HISTORY TODAY

Edited by Peter Quennell and Alan Hodge

The DECEMBER issue includes:

QUEEN'S POWER: The case of Katherine Parr Minna F. Weinstein

MONMOUTH GLEN: Washington's first Campaign, 1754 Alton Ketchum

THE RANSOM BUSINESS: Christian Slaves in North Africa Stephen Clissold

WILLIAM BEAW: Bishop and Secret Agent John R. Guy

MUTINY AT GATTARO, 1918 David Woodward

JOHN HARRISON, 1695-1776: Hero of Longitude Michael Langley

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OFFSHORE AND OVERSEAS FUNDS

Acton Securities (C.I.) Limited 10, Finsbury Circus, London, E.C. 2A 01-494111 Acton Securities (C.I.) Limited 01-494111 Acton Securities (C.I.) Limited 01-494111	Banco Pacific Fund Managers Ltd. 10, Finsbury Circus, London, E.C. 2A 01-494111 Banco Pacific Fund Managers Ltd. 01-494111 Banco Pacific Fund Managers Ltd. 01-494111	Kleinwort Benson Limited 10, Finsbury Circus, London, E.C. 2A 01-494111 Kleinwort Benson Limited 01-494111 Kleinwort Benson Limited 01-494111	Old Court Commodity Fd. Mgrs. Ltd. 10, Finsbury Circus, London, E.C. 2A 01-494111 Old Court Commodity Fd. Mgrs. Ltd. 01-494111 Old Court Commodity Fd. Mgrs. Ltd. 01-494111	TSS Unit Trust Managers (C.I.) Ltd. 10, Finsbury Circus, London, E.C. 2A 01-494111 TSS Unit Trust Managers (C.I.) Ltd. 01-494111 TSS Unit Trust Managers (C.I.) Ltd. 01-494111
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Prices do not include 5% premium, where applicable, and are in pounds sterling unless otherwise indicated. Values are shown in full, unless otherwise indicated. Values are shown in full, unless otherwise indicated. Values are shown in full, unless otherwise indicated.

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BRITISH FUNDS

1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	9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FINANCIAL TIMES

Wednesday December 15 1978

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Production shows little improvement

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRIAL PRODUCTION is at best growing only very slowly at present, after hardly increasing at all over the last six months as a whole.

This is indicated by the industrial output index published yesterday which stood at 102.5 (1970=100, seasonally adjusted) in October, compared with 102.4 in the previous month.

The Central Statistical Office points out that in recent months the underlying level of industrial output has changed little. Over the last three months, the all-industries index has shown virtually no change compared with the previous quarter and manufacturing output has dropped by nearly half of one per cent.

The index figures for the last two months are, however, higher than in the depressed summer period and are not officially seen as ruling out some growth towards the end of the last quarter, as has also been indicated by CBI surveys.

But any pick-up is unlikely to be large and the most recent CBI trends inquiry showed that the balance of respondents forecasting an increase in the volume of production over the next four months had fallen to its lowest level (a quarter) since last February.

The prospect of only a weak recovery next year, underlined by most forecasts, provides the gloomy background to this after a year of economic statement.

Mr. Denis Healey, the Chancellor of the Exchequer, has already said that on present policies before any measures, unless the growth of world trade improves, the growth in Gross Domestic Product is likely to be only between 1.5 per cent, compared with the 4.5 per cent annual rate projected in July.

INDUSTRIAL PRODUCTION

1970=100

Seasonally adjusted

All Industries Manufacturing

1975 1st 104.7 106.1

2nd 100.3 100.5

3rd 99.4 99.7

4th 100.4 100.4

1976 1st 101.9 101.8

2nd 102.1 102.2

3rd 101.6 102.6

4th 104.3 104.1

May 100.0 100.4

June 101.7 103.0

July 100.8 101.7

Aug. 102.4 103.2

Sept. 102.5 103.3

Oct. 102.5 103.3

Source: Central Statistical Office

The extent of the increase will depend largely on the rise in exports and investment.

The latest figures highlight how the recovery ran out of momentum after the spring, since the index is only now back up to the level of six months ago. Moreover, there has only been a rise in output of half of 1 per cent taken as a whole.

The analysis by broad market sectors shows that over the last three months compared with the previous quarter the only growth came from intermediate goods industries, such as chemicals, with a rise of half of one per cent, and there was a drop in production of the investment goods sector of nearly 2 per cent.

Mining and quarrying output rose by 1.3 per cent, on a unit basis, solely because of the build-up of North Sea oil production.

EEC may rename British companies

BY MICHAEL LAFFERTY

BRITAIN'S 16,000 public companies may be expected to change their names to include the word "public" in their titles under a Common Market company law approved last week by EEC Foreign Ministers on Monday.

The passing into law of the proposal, known as the Second Company Law Directive, seems to have come as a big surprise in London negotiations have been dragging on for over six years.

The Department of Trade in London confirmed yesterday that Government lawyers were busy studying the matter, and would draft legislation to implement the directive here as soon as possible.

An official at the Institute of Chartered Accountants expressed dismay that this had happened so quickly, commenting: "I do wish the EEC would not do these things to us."

The new law must be fully enforced in Britain within two years. Its most obvious impact would be in changes to the names of companies.

The Government must decide whether it should require public or private companies to include an indication of their status in their title, and if it would like to apply the ruling to the 16,000 public companies.

But City institutions lawyers and company administrators are thought to prefer changing the names of 500,000 private companies to include the word "private" in their names.

The directive lays down a minimum capital of 25,000 units of account for public companies, but there is a seven-year transition period for companies with a lower capital.

Miners likely to back action to-day on claim

BY ROY ROGERS, LABOUR CORRESPONDENT

AN OVERWHELMING majority in favour of possible industrial action to support their demands for early retirement is expected when the results of the miners' picket ballot are declared later today.

There has never been any real doubt that the National Union of Mineworkers executive would be given the authority they sought to call industrial action, as yet unspecified, over the claim or that the National Coal Board would respond with an improved offer.

Last week Sir Derek Ezra, the NCB chairman, offered to open negotiations and marginal improvements on the Board's offer of voluntary retirement at 62 for underground workers with 25 years' service underground are anticipated.

They could include a lowering of the service qualification and possibly a further reduction in the retirement age itself, but there is no scope for a reduction in the minimum which is to be phased in before the present pay policy expires next August.

While eager to see a negotiated settlement, the Government has made it clear that the NCB's pay policy must remain intact. This means that there can be no implementation of early retirement before the end of next July unless the cost of the improvements is offset against the Stage Two pay settlement.

Miners' leaders are bound by an annual conference resolution to seek retirement at 60 from next month (January) with further staged reductions to 55 by 1980. But they realise they

have little chance of achieving the claim in full and moderates on the executive are expected to use their majority to clinch a settlement provided the NCB comes up with a reasonably improved offer.

Formal negotiations are unlikely to resume before a special meeting of the NCB executive considers the ballot result next Tuesday but there will be an opportunity for informal discussion of the situation when NCB officials meet NCU industrial relations staff on other issues on Friday.

Meanwhile Mr. Joe Gormley, president of the NCU, warned

The TUC has called a special meeting of its key economic committee for tomorrow to consider to-day's budget proposals. A meeting of the full TUC general council may be called on Friday if it is thought necessary.

last night that miners should not be expected to continue holding back on wages while prices keep on rising.

Miners had balked at supporting the existing pay policy and would be bound by that decision, said in a radio interview. "But I don't think we can carry the loads much longer along this path of lower living standards even to help out any political party."

This is seen as a clear warning that miners, who are hoping for a new productivity agreement, cannot be expected to endorse a further period of rigid pay restraint which excludes such deals.

THE LEX COLUMN

Guinness beats its targets

Profits of £39.3m. rise

Guinness in the year to September compared with a forecast of £35m. The company's profits rose by £4.3m. to £39.3m. in the year to September compared with a forecast of £35m. The company's profits rose by £4.3m. to £39.3m. in the year to September compared with a forecast of £35m.

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Daily Express to switch to tabloid next month

BY MICHAEL THOMPSON-NOEL

THE DAILY EXPRESS is to be published in tabloid form from Monday, January 24, Sir Max Aitken, chairman of Beaverbrook Newspapers, said last night.

The move is seen as a bid to help stem the Express's declining circulation and improve its competitive position against Fleet Street's three existing tabloids—The Sun, Daily Mail, and Daily Mirror.

Although the announcement came as a mild shock to some members of the Express's editorial staff, who heard unofficially of the change yesterday morning, it had been expected for some time.

The Daily Express circulation fell by 203,767 copies (7.3 per cent) in the six months between April and September, by far the biggest circulation drop of any national morning paper.

Of the three existing tabloid papers The Sun gained 262,035 copies, the Mail gained 32,866, and the Mirror lost 71,576, which represents a marginal 1.8 per cent of its circulation.

Last night's announcement from Beaverbrook Newspapers said nothing other than that the Express was to be published in tabloid form from January 24.

But the move is clearly expected to help lighten the load of Beaverbrook's rising newsprint bill as well as cut costs.

Last month the company said it was forecasting a loss for the current half year, which is thought to be about £1m. This follows a pre-tax profit in the year to last June 30 of £1.4m, despite a loss in the first six months of £202,000.

At the same time as it goes tabloid, the Express is expected to increase its cover price from 7p to 8p. No redundancies are expected.

Its falling circulation apart, the main problem at the Express is the rising cost of newsprint, which may have forced the company's decision to go tabloid.

Sir Max said last month that in May and August the group had seen increases in newsprint prices of £35 a tonne, representing a 20.2 per cent—£5m-plus, increase in a full year.

Since the summer, the fall in sterling has worsened the situation, and new newsprint rises are due in the New Year.

Beaverbrook Newspapers also publishes the Sunday Express and the London Evening Standard, a tabloid, each of which shed

7.3 per cent of its circulation during April-September.

What seems likely is that Mr. Roy Wright, who succeeded Mr. Aitken as editor, will take the revamped Express upmarket into the middle ground now successfully occupied by the Daily Mail.

The last London paper to switch to tabloid was the Evening News, which did so in September, 1974. The News is thought to be losing money, but the Daily Mail, which also belongs to Associated Newspapers, was converted from a broadsheet to a tabloid in 1971 and has since prospered.

The news from the Express follows Monday's announcement by The Observer, in which a controlling interest was recently acquired by the Atlantic Richfield Company of the U.S., that it planned a shake-up in its section of the Sunday newspaper market with a big campaign to extend its readership.

The Newspaper Publishers Association yesterday sent a letter to union general secretaries expressing deep concern about recent disruption of production because of industrial disputes.

Continued from Page 1

Jobs abroad

£15,000 a year, though some are earning much more.

In statistical terms the numbers may not seem significant. Mr. Corfield said, but there are very few managers of this calibre and experience around: these are the people who can make British industry grow.

According to personnel managers, the lack of monetary incentive is only part of the explanation. "There's a feeling of resignation. If you are doing a senior job earning more than £10,000 a year," one said, "The impression is that you are not wanted here any more."

There is particular anger at statements from Government Ministers that the burden on senior managers is unfair and should be relieved, only to be followed by a savage attack on management.

The emigration and repatriation of senior executives have caused problems for international companies for a number of years, but the situation has now become far worse. One ITI manager who recently returned to the U.K. from a spell overseas reckoned that his after-tax income in dollar terms was less than it has been seven years earlier in a junior administrative post in Brussels.

The cost of private education is another significant factor for some managers. One said he was not prepared to have the choice of education for his children made for him by government taxation and income policies; hence he is taking an overseas appointment.

Spain tense on eve of reform vote

BY ROGER MATTHEWS

MADRID, Dec. 14

SPAIN IS due to take a major step towards a more democratic form of government tomorrow when more than 23m. people have the right to vote in a national referendum on constitutional reform.

The poll will be the culmination of a 12-month battle between the regime, since the death of General Franco, over the pace and direction of change.

It is, however, only the first stage of liberalisation and will be followed by a series of negotiations between the Government, which has drawn up the constitutional reforms, and the opposition parties that are demanding concrete democratic guarantees before next year's promised general elections.

Supported vigorously by Juan Carlos, an affirmative monarch, the Government will provide for a two-chamber Parliament, with the senate elected by majority and the congress by a mixed form of proportional representation. The King retains the right to appoint up to one-fifth of the senate.

Protection

Officials were to-day confident of a substantial vote, but anxiety over renewed extremist violence following the kidnapping last week-end of Sr. Antonio Oriol, president of the Council of State and a noted right-winger.

The government, headed by Adolfo Suarez, has more Left-wing political leaders to be placed under police protection after a warning from the kidnappers that their presence was running out.

Supporters of Gen. Franco have utilised the kidnapping and the reappearance of Communist leader Santiago Carrillo in

Madrid, to back up their campaign for a "no" vote, while ultras have been issuing death threats to Left-wing politicians.

An atmosphere of tension has been created in the capital which was fuelled last night in over two hours of fierce clashes between riot police and demonstrators calling for abstentions in the referendum.

Latest note

Many Left-wing parties have urged supporters not to vote because of the absence of democratic freedoms, accusing the Government of trying to impose "a change of face, rather than a change of substance."

The latest note from the kidnappers, said to be an extreme Left-wing group called GRAPO, warned: "The Government is trying to gain time to help the work of the police. This is a dangerous tactic. Do not force us to take a decision that we do not want to take. We are prepared to do anything."

GRAPO demanded the release of 15 named prisoners, held for terrorist offences, in return for the life of Sr. Oriol and has ruled out the possibility of a cash ransom.

With pressure from the Government's Right-wing enemies mounting, an intensive search for the kidnappers continued today.

Madrid streets were flooded with propaganda stating "Franco would have voted no" to vie with the thousands of Government posters and leaflets urging the public to use their vote positively.

Latest opinion poll shows that in the troubled Basque provinces more than 80 per cent of the people intend to boycott the referendum.

Weather

U.K. TO-DAY

WIDESPREAD FOG, dense in places and slow to clear, with some heavy sunshine in places later. Cold with frost by night.

Widespread - fog, dense in places and slow to clear, with heavy sunshine and night frost. Max. 20 (37F).

Wales, S.W. England, Channel Is. Cloudy, but mostly dry, with

BUSINESS CENTRES

City	Temp	Wind	Cloud
Amsterdam	10	11	11
London	10	11	11
Paris	10	11	11
Rome	10	11	11
Madrid	10	11	11
Barcelona	10	11	11
Berlin	10	11	11
Munich	10	11	11
Frankfurt	10	11	11
Zurich	10	11	11
Geneva	10	11	11
Brussels	10	11	11
Luxembourg	10	11	11

HOUDAY RESORTS

City	Temp	Wind	Cloud
Amsterdam	10	11	11
London	10	11	11
Paris	10	11	11
Rome	10	11	11
Madrid	10	11	11
Barcelona	10	11	11
Berlin	10	11	11
Munich	10	11	11
Frankfurt	10	11	11
Zurich	10	11	11
Geneva	10	11	11
Brussels	10	11	11
Luxembourg	10	11	11

Bullock Report reaches Dell

BY JOHN ELLIOTT, MANAGEMENT EDITOR

THE BULLOCK report on industrial democracy yesterday started its long and hazardous path towards the Statute Book when it was signed and sent to Mr. Edmund Dell, Secretary for Trade, the Cabinet Minister responsible for company law.